

SURREY COUNTY COUNCIL

PENSION FUND BOARD

DATE: 15 NOVEMBER 2013

LEAD OFFICER: SHEILA LITTLE, CHIEF FINANCE OFFICER

SUBJECT: LGPS: CALL FOR EVIDENCE ON THE FUTURE STRUCTURE OF THE LOCAL GOVERNMENT PENSION SCHEME



SUMMARY OF ISSUE:

The Department for Communities and Local Government has issued a call for evidence on the future structure of the Local Government Pension Scheme. This paper sets out the document that the Chief Finance Officer submitted on behalf of the Pension Fund Board, in consultation with the Chairman of the Pension Fund Board.

RECOMMENDATIONS:

It is recommended that:

- 1 The Pension Fund Board note the response.

REASON FOR RECOMMENDATIONS:

The outcome of this process will affect the way in which the Surrey Pension Fund is administered. Therefore, the Pension Fund Board should take a full part in the consultation process.

DETAILS:

Background

- 1 On 21 June 2013, the Department for Communities and Local Government issued a call for evidence on the future structure of the Local Government Pension Scheme.
- 2 The document set out high level and secondary objectives for reform. These are:

High level objectives

- a) dealing with deficits
- b) improving investment returns

Secondary objectives

- a) reducing investment fees
- b) improving the flexibility of investment strategies
- c) providing for greater investment in infrastructure
- d) improving the cost effectiveness of administration
- e) providing access to higher quality staffing resources
- f) providing more in-house investment resource

Surrey's Submission

- 3 The submission was submitted by the deadline date of 27 September 2013 and receipt was acknowledged by the department. This is included as Annex 1.

Latest Developments

- 4 The Chairman and officers will report on latest developments at the meeting.

CONSULTATION:

- 5 The Chairman of the Pension Fund has been consulted on the Call for Evidence and has offered full support for the narrative set out in this report.

RISK MANAGEMENT AND IMPLICATIONS:

- 6 There are various risk issues contained within the Call for Evidence document and the submission document.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 7 Financial and value for money implications are set out within the submission document.

CHIEF FINANCE OFFICER COMMENTARY

- 8 The Chief Finance Officer is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed and that the submission document offered a clear path for the provision of evidence and opinion, reflecting the views of the Pension Fund Board.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 9 A new future LGPS structure will give rise to various legal implications and legislative requirements, possibly from 2014 onwards.

EQUALITIES AND DIVERSITY

- 10 The response to the call for evidence will not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

- 11 There are potential implications for council priorities and policy areas that will become clear if a new LGPS structure is proposed.

WHAT HAPPENS NEXT

- 12 The following next steps are planned:
- Further report to the Board following proposals due to be published before end of 2013.

Contact Officer:

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Consulted:

Pension Fund Board Chairman

Annexes:

Surrey Pension Fund Response to the Call for Evidence on the Future Structure of
the Local Government Pension Scheme 27 September 2013

Sources/background papers:

None

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