



your pension our world

Re: The Local Government Pension Scheme (Amendment) (Governance) Regulations 2014 Consultation – 10th October 2014 (Closing date 21st November 2014)

With reference to the above consultation please note our comments on the revised draft regulations. We also attach a copy of our previous response to the initial consultation which set out our views on a number of the key policy areas identified in that consultation but which have not been referred to again in the current consultation. We understand that any proposals under these areas will though be included in the final regulations and accompanying guidance. In particular we would re-iterate the issues around the power of delegation and EU procurement rules and the ability for Authorities working together on key pension's issues to be able to form a joint board.

Establishment and membership of local pension boards

The LPFA welcomes the fact that authorities will be given discretion in the establishment of local pension boards, which will allow each authority to establish a local board on a bespoke basis and decide the fundamental processes e.g. expenses, codes of conduct and specific functions of the Board. Clear guidance from the Scheme Advisory Board as to the specific minimum requirements to be included in any Terms of Reference etc. will help ensure a degree of consistency and effectiveness for all authorities.

Local pension board membership

The amendments to the membership regulations should help ensure a wider pool of experienced elected members are available to sit on local pension boards, albeit not one associated with their own authority. However the regulations (107(3) in particular) are no longer clear as to the extent to which other appropriately qualified persons are able to sit on the Board and additionally that it is no longer a requirement for the employer/member representatives to be in the majority.

Stand-alone authorities such as the LPFA will have no employees who are not involved in the 'Pensions Function' and it would therefore be helpful if the guidance could help clarify the role of advisors in providing information and guidance to the Board for authorities such as ourselves.

Scheme Advisory Board

We note that revised regulations clarify that the Secretary of State will be responsible for the appointment of all Board members which will help ensure a smooth, transparent and consistent basis. We also welcome the fact that provision has been made for up to three non-voting advisory members to the Board who, if appropriate appointments are made, will be able to provide relevant advice and experience on some of the key issues that impact on effective governance of the Scheme. The key issue on these appointments and the creation of the relevant sub-committees is that there is an agreed and open process in place to help ensure appropriate representation for all authorities involved in administering the scheme.

Cost control regulations

We welcome the cost control regulations due to be introduced under the new arrangements and note that a formal consultation process between relevant parties will be in place. We expect the National Advisory Board to play a key role in ensuring robust and accurate data is provided by all authorities when undertaking the relevant calculations around the future cost of the Scheme.