

Wiltshire Council

Wiltshire Pension Fund Committee

19 September 2013

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

Purpose of the Report

1. This report proposes a response to Department of Communities and Local Government (DCLG) Call for Evidence on the future structure of the local government pension scheme from the Wiltshire Pension Fund.

Background

2. The DCLG and the Local Government Association (LGA) issued a joint call for evidence on 21 June 2013 relating to the potential for increased cooperation between LGPS funds (see Appendix A).
3. This follows on from the Local Government Minister's statement at the National Association of Pension Fund's local authority conference on 22 May 2013, and aims to look at the following high level and secondary objectives for structural reform :

High level objectives

1. Dealing with deficits
2. Improving investment returns

Secondary objectives

1. To reduce investment fees
 2. To improve the flexibility of investment strategies
 3. To provide for greater investment in infrastructure
 4. To improve the cost effectiveness of administration
 5. To provide access to higher quality staffing resources
 6. To provide more in-house investment resource
4. Within any response they wish to receive evidence to support the answers to the following questions:

Question 1 – *How can the Local Government Pension Scheme best achieve a high level of accountability to local taxpayers and other interested parties – including through the availability of transparent and comparable data on costs and income - while adapting to become more efficient and to promote stronger investment performance.*

Question 2 – *Are the high level objectives listed above those we should be focussing on and why? If not, what objectives should be the focus of reform and why? How should success against these objectives be measured?*

Question 3 – *What options for reform would best meet the high level objectives and why?*

Question 4 – *To what extent would the options you have proposed under question 3 meet any or all of the secondary objectives? Are there any other secondary objectives that should be included and why?*

Question 5 – *What data is required in order to better assess the current position of the Local Government Pension Scheme, the individual Scheme fund authorities and the options proposed under this call for evidence? How could such data be best produced, collated and analysed?*

Considerations for the Committee

5. As the closing date for submissions is 27 September 2013, the Committee is asked to approve the proposed response from the Wiltshire Pension Fund outlined in Appendix B.
6. As previously outlined, the Wiltshire Pension Fund is part of the South West group of funds that have been working collaboratively for a number of years, for example the setting up of frameworks. This work continues and a separate response will be made by this group.

Risks Assessment

7. The proposed response does not impact on any risks for the Wiltshire Pension Fund.

Environmental Impact of the Proposal

8. There is no known environmental impact of this proposal.

Safeguarding Considerations/Public Health Implications/Equalities Impact

9. There are no known implications at this time.

Financial Implications

10. The financial implications are discussed within the draft response but have no immediate impact for the Fund.

Legal Impact of the proposals

11. There are no known implications at this time.

Reason for Proposals

12. The Fund should be proactive in shaping the future of the scheme and therefore should contribute to the consultations issued.

Proposals

13. Members are recommended to approve the draft response as outlined in Appendix B.

MICHAEL HUDSON
Treasurer to the Pension Fund and Service Director (Finance)

Report Author: David Anthony, Head of Pensions

Unpublished documents relied upon in the production of this report:

Appendix A – DCLG ‘Call for Evidence’
Appendix B – Proposed response
Appendix C – LGPS Data 2011-12