

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 30 August 2013

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

Classification: Unrestricted.

Summary: To agree a response to the call for evidence.

FOR DECISION

INTRODUCTION

1. On 21 May Brandon Lewis the Local Government Minister announced a call for evidence on the future structure of the LGPS. The Department of Communities and Local Government and the Local Government Association document is attached in Appendix 1.
2. The announcement was unexpected and seems to reflect a number of different issues which have emerged in the last 12-18 months:
 - Agitation from the London Pension Fund Authority (LPFA) to merge funds in London. As well as the LPFA there are 32 London Borough funds and the Corporation of London. This has already produced very negative responses from some London Boroughs.
 - Briefing from trade unions which present scheme mergers as providing sufficient savings as to support the enhanced benefit structure.
 - Some misleading briefings on the investment management fees paid by local authority funds which have appeared in the national press.
 - Government desire to see more investment in infrastructure.
3. There is no doubt that the 89 administering authorities are diverse in size and in the way they go about their business but that is reflective of how local authorities themselves work. Nonetheless the call for evidence is a surprise.

CONSULTATION REPSONSE

4. The Kent Fund is one of the largest in local government – around 10th largest in assets and already covers a large geographical area with a population of 1.6m,

100,000 scheme members and 400 employers. Against the criteria set out in the consultation the Kent Fund performs well.

5. A draft response is attached in Appendix 2.

RECOMMENDATION

6. Members are asked to agree the response.

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