

By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 18 September 2009

Subject: **LGPS CONSULTATIONS**

Classification: Unrestricted

Summary: To propose responses to DCLG consultation papers on the LGPS.

FOR INFORMATION

LOCAL GOVERNMENT PENSION SCHEME DELIVERING AFFORDABILITY VIABILITY AND FAIRNESS

1. The DCLG consultation document is attached in Appendix 1. This is a crucial document as it sets out practical options for administering authorities to manage the outcomes of the 2010 actuarial valuation. It is motivated by negative investment returns of Funds since 2007 which mean that fund deficits will have substantially increased.
2. The draft response in Appendix 2 welcomes this consultation and of the two options proposed prefers the Financing Plan proposal – this is also the view of Hymans Robertson.

LOCAL GOVERNMENT PENSION SCHEME

3. The consultation paper in Appendix 3 goes back to a long run DCLG theme of representation on pension / investment panels / committees. Some highly successful Funds still have limited representation or use much smaller panels for key decisions. This issue has been extensively debated in the past and the outcome for Kent is a relatively large committee with a wide spread of representation – there is no desire or intention to re-visit this issue.
4. The one request made in the draft response in Appendix 4 is that the Medway Council representative be given full voting rights. We have always been advised that we cannot do this under existing legislation and it seems wholly inappropriate to Medway's status as the second largest employer in the Fund.

RECOMMENDATION

5. Members are asked to agree the response.

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