

The City and County of Swansea Pension Fund Response to Consultation on:

**LGPS (Amendment) Regulations 2014
Draft Regulations on Scheme Governance**

In inviting response to the draft regulations on scheme governance, DCLG have requested comment on specific elements of the regulations and policy issues namely at the following paragraphs of the consultation document:

- **3.3**
- **3.7**
- **3.12**
- **3.14**
- **3.19**

The City and County of Swansea Pension Fund responses shall follow under each specific request for comment repeated below for clarity.

However the City & County of Swansea Pension Fund would like to express its view that the implementation of such specific and bureaucratic regulations re. LGPS governance are extremely unwelcome when there are quite clearly sufficient governance frameworks within local government (and definitely at the City & County of Swansea to address any scrutiny or oversight requirements without the additional cost and resource required to support the proposed arrangements at a time when cost and resource reduction is at the top of everyone's agenda.

The following is the response of the City & County of Swansea Pension Fund:

1. Combined Section 101 Committee and Local Pension Board

3.3 “Comments are therefore invited on whether the Regulations should include such provision.”

In practice the combination of the Pension Fund Committee and the Local Pension Fund Board would be difficult at a local level due to the prescriptive nature of the membership of the Local Pension Board and the obvious conflicts arising out of self scrutiny.

2. Establishment of Local Pension Board

3.7 “Consultees are therefore invited to state their preference for option 1, option 2 or any other proposal. Where option 2 is preferred, it would be helpful if the response could also set out those elements which should either be specifically excluded or included from the wide discretion afforded by the second version of Regulation 106 (5).”

By adopting the more flexible approach suggested in the second regulation 106 (5) (option2), there is the assumption this would not stop an Administering Authority from cross referring to any particular provisions in the Local Government Act should they wish (effectively adopting them), or more importantly cross referencing to the Council's Constitution (or the equivalent for non local authorities). This would seem to be the preferred approach

3. Joint Pension Boards

3.12 “Comments are invited on whether the Regulations need to provide for shared local pension boards and, if so, what test, if any should be applied.”

There should be the flexibility within the Regulations to allow Administering bodies where it is appropriate and reflects their current operational practices to establish joint local pension boards if it provides for more effective working.

4. Annual General Meetings, Employer Forums

3.14 “Comments are invited on whether the Regulations should require Administering Authorities to facilitate a forum for both employers and employees on at least an annual basis.”

The City & County of Swansea Pension fund holds an AGM and puts on regular member/employer roadshows and this is outlined in our Communications Strategy, however it is recognised that perhaps not all Funds do likewise. Good communication between the Fund and its employers and members is very important and should be encouraged where it is not currently implemented. This should be in the form of robust guidance and monitored on a comply or explain basis rather than regulation.

5. Knowledge & Understanding

3.19 “ Comments are invited on whether either in these Regulations or at some stage in the future, provision should be made in the Principal 2013 Regulations to require members of committees established by the Administering Authority to discharge pensions functions to comply with the Knowledge and Understanding Framework and other relevant training.”

It is incongruous that the knowledge and skills requirements of the Local Pension Board are out of alignment with the requirements asked of the primary decision making committee of the pension fund and should be addressed within the Regulations.