

Decision Maker: PENSIONS COMMITTEE

Date: September 11th 2023

Decision Type: Non-Urgent Non-Executive Non-Key

Title: LGPS CONSULTATION RESPONSE

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Ward: Borough Wide

1. Reason for report

- 1.1 This report contains the London Borough of Bromley response to the Government consultation for consideration by the Pensions Committee, on accelerating collective pooling of Pension Fund assets, Levelling Up and Private Equity investments.
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2. RECOMMENDATIONS

- 2.1 The Pensions Committee is asked to consider the LGPS Consultation response in Appendix 1.

Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations, for the purpose of providing pension benefits for its employees. The investment regulations (The LGPS (Management and Investment of Funds) Regulations 2016) allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
 2. BBB Priority: Excellent Council .
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: Recurring cost . Total administration costs estimated at £5.9m (includes fund manager/actuary/adviser fees, Liberata charge and officer time)
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £49.6m expenditure (pensions, lump sums, etc); £57.6m income (contributions, investment income, etc); £1,269.6m total fund market value at 31st March 2023
 5. Source of funding: Contributions to Pension Fund
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Staff

1. Number of staff (current and additional): 1 FTE
 2. If from existing staff resources, number of staff hours: 36 hours per week
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Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations 2013 (as amended), LGPS (Management and Investment of Funds) Regulations 2016
 2. Call-in: Call-in is not applicable. No Executive decision.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,509 current employees; 6,019 pensioners; 6,443 deferred pensioners as at 31st March 2023
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The LGPS Consultation Response document contains responses to the Government's Next Steps on Investments consultation. The responses have been discussed with the Chairman, Vice Chairman, and Independent Adviser and are presented to the Committee for consideration.
- 3.2 The Committee is therefore asked review Bromley's responses reflect the feedback that the Committee would like to be given to The Government on behalf of Bromley Pension Fund, on subjects including accelerated pooling, levelling up and private equity.
- 3.3 Members are requested to refer to Appendix 1. Any comments on this response are to go directly to the Director Finance, and updates to this response will be provided at the Pensions Committee meeting.

4. POLICY IMPLICATIONS

- 4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations, for the purpose of providing pension benefits for its employees. The investment regulations (The LGPS (Management and Investment of Funds) Regulations 2016) allow local authorities to use all the established categories of investments, e.g., equities, bonds, property etc., and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications at present.

6. LEGAL IMPLICATIONS

- 6.1 The statutory provisions relating to the administration of the Local Government Pension Scheme are contained in the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended). The investment regulations (The LGPS (Management and Investment of Funds) Regulations 2016) set out the parameters for the investment of Pension Fund monies. Under the 2013 LGPS Regulations, an Annual Report is required to be published by 1st December.

Non-Applicable Sections:	Personnel Implications, Impact on Vulnerable Adults and Children, Procurement Implications
Background Documents: (Access via Contact Officer)	None.