

ITEM NO: 5(b)

GREATER MANCHESTER PENSION FUND INFORMATION SERVICES WORKING GROUP

23rd January 2009

Commenced: 9.20am

Terminated: 10.15am

Present: Councillor Middleton (In the Chair)

Councillor Beeley

Councillor Heffernan

Councillor Lane

Councillor Pantall

P Morris

Director of Pensions

S Taylor

Head of Pension Fund Investments

G Dale

Head of Pension Fund Administration

M Tyrer

Head of Pension Fund
Communications Team

Apologies for absence: Councillors Wareing, Hobhouse and Mr Rayner

14. MINUTES

The Minutes of the proceedings of the Information Services Working Group held on 24th October 2008 were approved as a correct record.

15. PROMOTING LGPS AND GOOD PENSION PROVISION

The Director of Pensions submitted a report which commented on responding articles in the trade press, and whether or not the Fund should do likewise with the national press. Also whether or not good news items about the fund or Scheme should be proactively placed in the press.

Examples of articles were appended to the report.

RECOMMENDED

- (i) Replies being sent to articles that have proposed the LGPS switch to a defined contribution regime;
- (ii) other articles being sent that promote good pension provision and that highlight that the LGPS is funded (unlike most public sector pension schemes); and
- (iii) press releases being prepared when we have noteworthy good news items.

16. DRAFT LGPS (MISCELLANEOUS) REGULATIONS 2009

A report was submitted by the Director of Pensions which explained that Communities and Local Government (CLG) were consulting on a set of draft Miscellaneous Regulations regarding the Scheme, and the Discretionary Compensation Regulations. The closing date for comments was

20th February 2009. A copy of the letter that accompanied the draft, plus the draft regulations themselves, were appended to the report.

RECOMMENDED

That the Director of Pensions send a reply to CLG.

17. GMPF AND THE FINANCIAL CRISIS

The Director of Pensions informed Members that Councillor Wareing, Chair of the Information Services Working Group, had suggested that regular bulletins be issued, regarding an update of the Fund's value and any difficulties arising from the current market conditions. An example of a recent briefing note was circulated for Members information.

Members commented on the usefulness of such briefing notes, however raised concerns regarding the 'dramatic overtones' of the use of the word crisis.

18. JOB EVALUATION/SINGLE STATUS – IMPACT OF REGULATIONS

The Head of the Communications Team gave details of a recent presentation he had given to employees at Bury MBC, which stated the options available to members in light of the job evaluation and the possible pay cuts some may experience. He added that there was also an article in the next Pension Power magazine, on this issue.

19. LGPS COST SHARING

A report of the Director of Pensions was submitted which described CLG's latest consultation on cost sharing, detailing a possible mechanism and commenting on the proposals.

It was reported that CLG had been progressing cost sharing proposals for several years. The 2007 Regulations introduced the requirement for cost sharing and in Spring 2008 consulted with stakeholders on the principles and mechanisms of future cost sharing. Reports were considered by the Panel in June 2008 and the Working Group in July 2008. A copy of the Fund's response to this consultation was appended to the report.

The Government's policy objective for the LGPS was for it to remain affordable, viable and fair to all – employees, employers and taxpayers. CLG was committed to the introduction of a cost sharing mechanism by 31st March 2009 to help in the delivery of this policy objective. The plan was to review costs at each round of triennial valuations with the first due in 2010.

Responses to this statutory consultation exercise needed to be submitted by 23rd January 2009. The purpose of this report was to advise the Working Group of this consultation process and sought their views on a response to CLG.

The report summarised that it was important to the long term sustainability of the Scheme that an effective cost sharing mechanism was introduced.

The practicalities and interactions were likely to be complex e.g. if investment returns were materially better than assumed, but other factors were leading to an increase in cost, this could result in employer costs reducing and employee costs increasing (or the benefit package reducing).

In a previous response, a simpler arrangement was favoured, but this was not supported by CLG who continued to favour the Model Fund approach incorporating all administering authorities data.

It was proposed that the Fund's response to this consultation reiterates its support for a simpler approach and comments on the practicalities of the Model Fund approach.

RECOMMENDED

That the Director of Pensions responds to the consultation as outlined above.