

REPORT TO:	Pension Board 13 January 2022
SUBJECT:	Government Actuary's Department – Section 13 Analysis of LGPS 2019 Actuarial Valuation
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury

1. RECOMMENDATION

- 1.1 The Board is asked to note the findings of the review of the 2019 Actuarial Valuation carried out by the Government Actuary's Department.

2. EXECUTIVE SUMMARY

- 2.1 This report advises the Board of the publication of the Government Actuary's Department: "Local Government Pension Scheme England and Wales Section 13 Report as at 31 March 2019" and highlights the recommendations included therein.

3. DETAIL

- 3.1 Under Section 13 of the Public Service Pensions Act 2013 the Government Actuary's Department was commissioned by the, then, Ministry of Housing, Communities & Local Government to carry out a review of all LGPS 2019 local funding valuations.
- 3.2 Whilst, at that time, the final review had not been published, at its meeting on 14 October 2021 the Board received a report from the Fund's Actuary, Hymans Robertson, considering the draft results of the review, in particular focusing on the results as they applied to the Croydon Fund.
- 3.3 The Board noted the report including the findings of the Hymans Robertson Review.
- 3.4 On 16 December 2021 the Government Actuary's Department published its final report (dated November 2021). A link is attached as the Appendix to this report.
- 3.5 Part 1 of the Report comprises an executive summary. Whilst there are no references specifically to the Croydon Fund and no immediate actions required from the Fund, each of the recommendations copied below is likely, at some stage, to have relevance to the Croydon Pension Fund.

Recommendation 1:

The Scheme Advisory Board should consider the impact of inconsistency on the funds, participating employers and other stakeholders. It should specifically consider whether a consistent approach needs to be adopted for conversions to academies, and for assessing the impact of emerging issues including McCloud.

Recommendation 2:

We recommend the Scheme Advisory Board consider how all funds ensure that the deficit recovery plan can be demonstrated to be a continuation of the previous plan, after allowing for actual fund experience.

Recommendation 3:

We recommend fund actuaries provide additional information about total contributions, discount rates and reconciling deficit recovery plans in the dashboard.

Recommendation 4:

We recommend the Scheme Advisory Board review asset transfer arrangements from local authorities to ensure that appropriate governance is in place around any such transfers to achieve long term cost efficiency.

- 3.6 Whilst no specific reference is made to the Croydon fund, in view of the relatively innovative nature of the current property transfer proposals, it appears that GAD may have had Croydon in mind when it made reference to asset transfer arrangements in paragraphs 7.45 - 7.48 and included a summary in para 1.28 prior to Recommendation 4 as follows:

Some councils have made or may be considering asset “gifts” to their pension funds. These arrangements are novel, may be complex and in some cases are established with a long time horizon. For these reasons, the governance around any such asset transfer arrangements requires careful consideration.

- 3.7 The Board is asked to note the findings of the review of the 2019 Actuarial Valuation carried out by the Government Actuary's Department.

4 DATA PROTECTION IMPLICATIONS

- 4.1 Will the subject of the report involve the processing of 'personal data'?

No.

Approved by: Richard Ennis, Interim Corporate Director of Resources (Section 151) and Deputy Chief Executive

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BACKGROUND DOCUMENTS:

None

APPENDIX:

[Government Actuary's Department: Local Government Pension Scheme England and Wales Section 13 Report as at 31 March 2019](#)