

Value for Money & Collaboration

Agenda item 5 - Identifying areas for development of collaboration within the LGPS

Discussion paper

The Government consultation *Opportunities for Collaboration, Cost Savings and Efficiencies* undertaken earlier this year demonstrates the importance currently being placed within Government on the notions of collaboration and achieving 'value for money' within the LGPS.

Whilst that consultation focussed on reforms to the investment structures of the Scheme, it will be important in the coming years that the Scheme can demonstrate the seriousness which it places on achieving better cost-effectiveness across the administration of the Scheme. This is not least because of the anticipated further cuts to local authority funding which will put further pressure on the ability of administering authorities to deliver a high quality service to employers and members.

Upon its establishment, the statutory Scheme Advisory Board (SAB) will have a unique role to advise scheme managers in relation to the effective and efficient administration and management of the LGPS in England & Wales and this item has been raised to broadly ask:

- Are there areas in which collaboration in the LGPS could be developed by collaborating in new ways or developing old ways of collaborating?
- Is there a role for the Scheme Advisory Board in developing collaboration within the LGPS? What is that role?

For example:

- The National Frameworks will shortly offer a framework for legal services - are there further areas in which frameworks could extend? For instance, could a national framework offer AVCs, investment performance benchmarking, investment cost benchmarking, annual benefits statements?
- Bodies like the communications working group currently meet to produce national communications documentation which all funds have access to. Are there other areas in which similar sharing of resources can be undertaken to assist funds in their administration and management of the Scheme? For instance, is there a greater role that could be played nationally with respect of training?

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In assisting funds and encouraging greater collaboration, there may perhaps be benefit in the SAB using the Scheme's experience to publish a guide to collaborations in the LGPS, containing descriptions of types, case studies, etc. This could be published to coincide with the Board event on collaborations.

An annex of the existing collaboration arrangements in usage in the LGPS can be found in the below table.

ANNEX

Current LGPS Collaboration arrangements - version 2.0 (updated 26th August 2014)

Description	Contact details	Activity	Service providers on the framework	Eligible participants
Kent Framework Agreement	Kent County Council Sarah Underwood Cantium House County Hall Maidstone Kent ME14 1XQ	Pensions Administration Software	Civica Equiniti	All LGPS Funds
Northumberland Framework	Northumberland County Council Janine Ternet County Hall Morpeth NE61 2EF janine.ternent@northumberland.gov.uk 01670 622354	Pensions Administration Software	Heywood	All LGPS Funds
Croydon Framework Agreement	Freda Townsend 6th Floor, South Side, Park Lane Taberner House Croydon Surrey	Actuarial Advisors	Hymans Robertson	All LGPS Funds

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	CR9 3JS Freda.M.Townsend@croydon.gov.uk			
Croydon Framework Agreement	Freda Townsend 6th Floor, South Side, Park Lane Taberner House Croydon Surrey CR9 3JS	Investment Consultancy	Aon Hewitt	All LGPS Funds
Local Government Shared Services	John Dryden House 8-10 The Lakes Northampton NN4 7YD Or Shire Hall Castle Hill Cambridge CB3 0AJ Telephone: 0300 126 1111 Email: info@lgss.co.uk http://www.lgss.co.uk/Pages/Home.aspx	Member administration Professional support Governance Accounting function Investment of funds	LGSS	All LGPS Funds
National LGPS Framework Agreement	The Norfolk Pension Fund (National LGPS Frameworks) 4th Floor, Lawrence House Norwich NR2 1AD 01603 495922	Custodian Services	Bank of New York Mellon BNP Paribas Securities Services HSBC Securities Services	All LGPS Funds

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	<p>nationalLGPSframeworks@norfolk.gov.uk</p> <p>http://nationallgpsframeworks.org/</p>		<p>J.P. Morgan The Northern Trust Company State Street Bank and Trust Company</p>	
National LGPS Framework Agreement	<p>The Norfolk Pension Fund (National LGPS Frameworks) 4th Floor, Lawrence House Norwich NR2 1AD</p> <p>01603 495922</p> <p>nationalLGPSframeworks@norfolk.gov.uk</p>	Investment Consultancy	<p>Aon Hewitt Deloitte Total Reward and Benefits Hymans Robertson LLP JLT Consulting KPMG LLP Mercer Limited</p>	All LGPS Funds
National LGPS Framework Agreement –	<p>The Norfolk Pension Fund (National LGPS Frameworks) 4th Floor, Lawrence House Norwich NR2 1AD</p> <p>01603 495922</p> <p>nationalLGPSframeworks@norfolk.gov.uk</p>	Actuarial Advisors and Benefits Consultancy	<p>AON Hewitt Barnett Waddingham Hymans Robertson LLP Mercer Limited KPMG LLP Price Waterhouse Coopers LLP</p>	All LGPS Funds
South West Framework	<p>Environment Agency Horizon House Deanery Road Bristol BS1 5AH faith.ward@environment-agency.gov.uk</p>	Investment Consultancy	<p>Hymans Robertson, Mercer, Aon Hewitt, B-Finance, JLT</p>	<p>Environment Agency Pension Funds Bath & North East Somerset Cornwall Council Dorset County Council Gloucestershire County Council</p>

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				Somerset County Council Wiltshire Pension Fund
South West Framework	Environment Agency Horizon House Deanery Road Bristol BS1 5AH faith.ward@environment-agency.gov.uk	Actuarial Advisors	Barnett Waddingham, Hymans Robertson, Mercer,	Environment Agency Pension Funds Bath & North East Somerset Cornwall Council Dorset County Council Gloucestershire County Council Somerset County Council Wiltshire Pension Fund

Coming Soon

National LGPS Framework Agreement	The Norfolk Pension Fund (National LGPS Frameworks) 4th Floor, Lawrence House Norwich NR2 1AD 01603 495922 nationalLGPSframeworks@norfolk.gov.uk http://nationallgpsframeworks.org/	Legal Advisors		All LGPS Funds
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Local Government Pension Scheme

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Board secretariat,
09/12/2014

Shadow Advisory Board Secretariat

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