
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Pension Scheme Regulations 1997 (“the 1997 Regulations”).

Regulation 3 substitutes a new regulation 73A which requires an administering authority to publish a statement of their policies on delegating their function of maintaining a pension fund and to include the extent to which the policies comply with guidance given by the Secretary of State. The first statement must be published not later than 1st March 2008.

Regulation 4 inserts new regulations 76B and 76C. New regulation 76B requires an administering authority to publish an annual report about each of their pension funds, dealing with matters such as the performance and management of the fund, the administration arrangements for the fund, the authority’s investment policies and their funding strategy. The first report, in respect of the year beginning 1st April 2007, must be published not later than 1st December 2008. New regulation 76C makes provision for the preparation and publication by an administering authority of a pension administration strategy to deal with matters relating to the performance by the authority and their employing authorities of their functions under the 1997 Regulations. The strategy may include provision about any of the matters in new regulation 76C(2). If an administering authority decide to prepare such a strategy, they must provide their employing authorities and the Secretary of State with a copy and notify those parties of any changes.

Regulation 5 makes some consequential amendments to regulation 81 and also inserts a new paragraph (3A). This provides that if there is a disagreement about the amount specified in a notice given in accordance with regulation 81A(2), then the matter is referred to the Secretary of State for determination. In making the determination, the Secretary of State must have regard to relevant provisions of any pension administration strategy prepared under new regulation 76C and the extent to which the authorities concerned have complied with them.

Regulation 6 inserts new regulations 81A and 81B which supplement provision in regulation 81 enabling an administering authority to recover administration costs from their employing authorities. New regulation 81A(1) and (2) enables the administering authority to serve notice on an employing authority that the amount payable by that authority should include an amount in respect of additional costs incurred because of that authority’s level of performance. New regulation 81B provides that the administering authority are also liable to contribute to administration costs.

Regulation 7 adds a new paragraph (1A) to regulation 82 (interest) to provide that an administering authority are also liable to pay interest on any overdue payments from them.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of businesses, charities or voluntary bodies and does not have a significant financial impact on any public bodies.