



Essex Pension Fund

A2, County Hall
Chelmsford
Essex, CM1 1JZ
13 September 2017

Mr Robery Holloway
LGPS Academies Objectives Consultation
Scheme Advisory Board Secretariat
Local Government Association
Layden House, 76-78 Turnmill Street,
London
EC1 M 5LG

Dear Mr Holloway,

**Response to Scheme Advisory Board Consultation:
Local Government Pension Scheme Academies Objectives**

The Essex Pension Fund welcomes the opportunity to participate in this consultation. Set out below are our observations on relevant issues that the Scheme Advisory Board may need to consider given the approaches taken by Funds and Actuarial firms.

Background

The Essex Pension Fund is now the ninth largest of the eighty nine LGPS Funds within England and Wales. It currently has in excess of 600 employers including over 300 Academies and Free Schools. Essex Pension Fund has substantial experience with the issues that face the Academy sector.

1. Protect the benefits of scheme members through continues access to the LGPS

The Fund agrees with this objective.

2. Ring fence local tax payers and other scheme employers from the liabilities of the academy trust sector

In the view of the Fund the academies trust sector consists of the following:

- academy schools;
- free schools; and
- employing bodies managing outsourced contracts (e.g. catering and cleaning) let by academies and free schools.

The above definition recognises the number of academies choosing to outsource some of their functions, more commonly cleaning or catering but can cover a range of services.

The Fund therefore suggests that the SAB objective to ring fence liabilities of the academy trust sector is clarified to explicitly include such outsourced contracts.

As a Fund all academies and free schools have been placed within a single pool, and arrangements are in place which would result in employing bodies managing outsourced contracts let by academy schools and free schools to follow suit.

3. Improve the efficiency and effectiveness of administrative practices

The Fund agrees with this objective in principle, and highlight that the Fund's own actions re: a single academy pool (described above) demonstrate commitment to this objective.

4. Increase the accuracy and reliability of data

The Fund agrees with this principle.

In our experience inaccurate and unreliable data is often:

- attributable to outsourced payroll providers who may be unfamiliar with the requirements of the LGPS; and / or
- the result of the academy not providing sufficient clarity around LGPS reporting requirements at the outset of procuring the payroll provider.

For and on behalf of the Essex Pension Fund,

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