

<b>Essex Pension Fund Strategy Board</b>	<b>PSB 08</b>
<b>Date: 11 September 2019</b>	

## **Government Consultations**

Report by the Technical Hub Manager

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### **1. Purpose of the Report**

#### **1.1 To share with the Board:**

- the Fund's final response to a consultation launched by HM Treasury concerning 'Restricting exit payments in the public sector'; and
- the Fund's final response to the Ministry of Housing, Communities and Local Government (MHCLG) consultation concerning 'Changes to the Local Valuation Cycle and the Management of Employer Risk'.

### **2. Recommendations**

#### **2.1 It is recommended that the Board note:**

- the Fund's final response to the consultation concerning 'Restricting exit payments in the public sector'; and
- the Fund's final response to the consultation concerning 'Changes to Local Valuation Cycle and the Management of Employer Risk'.

### **3. Background**

#### Restricting exit payments in the public sector

3.1 At its 3 July meeting, the Board resolved:

- To agree minor amendments to be made to the draft response to the Restricting exit payments consultation;
  - under the section Level of the cap: amend paragraph 5 to include 'as is now understood to be the case in regulations due to be implemented in Scotland';
  - within the supporting information page, amend the title of the table to include 'by £95k Cap' and include another column to show the percentage profile of the affected employees; and
- once these changes had been made, the response was to be submitted.

3.2 The agreed changes were made, and the final Fund response was submitted on 3 July 2019; this is attached at Appendix A.

#### Changes to Local Valuation Cycle and the Management of Employer Risk

3.3 At its 3 July meeting, the Board were advised:

- of the detailed proposals and the key points of the consultation along with the initial views of Funds officers; and
- that the deadline for responses to the consultation was 31 July 2019; and
- that officers were in the process of developing the Fund's response which would be shared with the Chairman prior to submission.

3.4 At its 3 July meeting, the Board resolved:

- to note the update in relation to the valuation cycle consultation.

3.5 The Fund's final response was shared with the Chairman on 25 July and submitted to MHCLG the same day; this is attached at Appendix B.

### **4. Link to Essex Pension Fund Objectives**

- 4.1 Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.

## **5. Risk Implications**

- 5.1 Regulatory risks impacting on Investments, Funding and Administration.

## **6. Background Papers**

- 6.1 PSB 07 – 6 March 2019.
- 6.2 PSB 09 – 3 July 2019.