

Foreword

A common theme running throughout the debate about the future structure of the Local Government Pension Scheme (LGPS) has been the need for robust, consistent and comparable data across all LGPS funds in order to inform rational decision-making. This need is particularly apparent when it comes to the costs of administering the scheme. Practitioners have been aware of deficiencies in the comparability of data between funds for many years.

A second, distinct but related element of the data issue is the extent to which there is complete reporting of costs, particularly investment management expenses. It is interesting to note that this debate is now being picked up across the wider industry.

The CIPFA Pensions Panel has produced this guidance to address the purpose of achieving consistent reporting of data that:

- is comparable from one reporting period to another
- provides a sounder basis for comparisons between funds; and
- underpins the future development of more sophisticated performance metrics that take account of fund size, asset allocation and investment and risk strategy.

By leading the way on cost disclosure, LGPS administering authorities will once again be placing themselves at the forefront of best industry practice, with full and transparent cost data available not only to support strategic decision-making across the sector, but also to assess individual administering authority cost-effectiveness.

This publication is a significant step forward in further raising standards in public sector financial management and I commend it to every LGPS fund.



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