

NATIONAL LGPS TECHNICAL GROUP MINUTES

**A member of the
LOCAL GOVERNMENT PENSIONS COMMITTEE (LGPC)
Published on 27 September 2019**

**Held at the offices of:
Hymans Robertson
One London Wall, London, EC2Y 5EA
at 11:00 on Friday 20 September 2019**

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17	Dates of future meetings up to and including December 2020	

Attendees

Standing (voting) members of the group		Present / Apologies / Substitute / Absent
Kevin Gerard (Chairman)	Welsh Pension Officer Group (WPOG)	Present
Joanne Griffiths	Welsh Pension Officer Group (WPOG)	Present
Ian Howe (Deputy Chairman)	East Midlands Pension Officer Group (EMPOG)	Present

Gary McLellan	East Midlands Pension Officer Group (EMPOG)	Present
Karen Gibson	South West Pension Officer Group (SWPOG)	Apologies Karen Gibson 17/09/19
Kate Shore	South West Pension Officer Group (SWPOG)	Present
Claire Lewis-Smith	Southern Area Pension Officer Group (SAPOG)	Present
Amanda Jupp	Southern Area Pension Officer Group (SAPOG)	Present
Louise Savage	South Eastern Counties Superannuation Officer Group (SECSOG)	Present
Joel Ellner	South Eastern Counties Superannuation Officer Group (SECSOG)	Present
Richard Smyth	London Pension Officer Group (LPOG)	Apologies Richard Smyth 17/09/19
Neil Mason (temp sub John Smith)	London Pension Officer Group (LPOG)	Apologies Neil Mason 23/07/19 Present
Steven Moseley	Shrewsbury Pension Officer Group (SPOG)	Present
Debbie Sharp	Shrewsbury Pension Officer Group (SPOG)	Present
Heather Chambers	North East Pension Officer Forum (NEPOF)	Present
Heather Currie	North East Pension Officer Forum (NEPOF)	Present
Erin Savage	Scottish Pensions Local Government (SPLG)	Present
Zena Kee	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)	Present
Representative (non-voting) members of the group		
Jeremy Hughes	Ministry of Housing, Communities & Local Government (MHCLG)	Present
Kimberly Linge	Scottish Public Pension Agency (SPPA)	Present
Siobhán McKelvey	Department of Environment (Northern Ireland)	Apologies Siobhan McKelvey 17/09/19
Jayne Wiberg	Local Government Association (LGA)	Present
Lorraine Bennett	Local Government Association (LGA)	Present
Jeff Houston	Local Government Association (LGA)	Present
Ad-hoc (non-voting) members of the group		
Paul	Software supplier - Aquila Heywood	Present

Kateley		
Catherine Carruthers Martin Slaughter	Software supplier – Capita	Apologies Catherine Carruthers 17/0919 Present
Julie Potter (temp sub Laura Whitworth)	Software supplier – Civica A different temp sub attended to that which was nominated – Laura Whitworth nominated – Emma Kingston attended	Apologies Julie Potter 30/08/19 Laura Whitworth – not present Emma Kingston - Present
Jon Slater	Software supplier - Equiniti	Apologies Jon Slater 13/09/19
Annemarie Allen	Actuarial - Barnett Waddingham	Present
Ian Colvin	Actuarial - Hymans Robertson	Present
Justine Davies	Actuarial – PWC	Apologies Justine Davies 19/09/19
Catherine Pearce	Actuarial – Aon	Present
Nigel Thomas (temp sub Karen Scott)	Actuarial – Mercer	Apologies Nigel Thomas 17/09/19 Present
Kelly Scotford	Secretary	Present

Minutes

Agenda item	Description	Outcome
1	Apologies for absence / temporary substitute nominations	<p>To note in the previous tables.</p> <p>Chair In order to ensure that the Secretary and the host has sufficient time to notify building security of the attendees and to arrange badges, the chairman requested that all apologies and nominations for temporary substitutes are provided well in advance of the meeting.</p> <p>Group action All group members to provide any absence notification / temporary substitute nomination within the same timescales as that required for agenda items (timescales noted in item 17 of these minutes)</p>

Agenda item	Description	Outcome
2	Minutes of the last meeting held on 14 June 2019	Group agreement: Agreed no matters arising.
Matters arising from previous meetings		
Matters arising from minutes of the meeting held on 14 June 2019		
3	Item 5(b) - Annual Benefit Statements	<p>LGA update: Lorraine Bennett confirmed that in September 2019 the LGA issued software suppliers with a new draft ABS technical guide.</p> <p>This will replace version 1.5 of the existing technical guide and version 1.3 of the ABS template statement. Going forward the LGA will not provide a template ABS, as it is understood that administering authorities do not use the current template. Instead a list of the statutory and recommended data items will be included in the technical guide.</p> <p>A meeting is to be held on 11 October 2019 with LGA and the software providers to discuss the data requirements for active members ABS statements.</p> <p>LGA action: A further update will be provided at the December 2019 National LGPS Technical Group meeting.</p>
	Item 5(c) - Version 2.0 Ill Health Certificates (LGPS E&W)	<p>LGA update - complete Jayne Wiberg added back in mistakenly deleted Pre 14 Tier 3 review ill health certificate, and re-issued version 2.0 on 28 June 2019.</p>
	Item 16 - TPR guidance professional trustees	<p>LGA update - complete Jayne Wiberg confirmed to Neil Mason on 30 July 2019 that the Secretariat is of the view that that local board or pension committee members <u>are not</u> professional Trustees as set out on the TPR page of Professional Trustee Standards https://www.thepensionsregulator.gov.uk/en/trustees/professional-pension-trustee-standards.</p>

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	Matters outstanding from minutes of the meeting held on 8 March 2019	
	Item 4(c) – Application of supplementary PI	<p>LGA update - complete Jayne Wiberg published version 1.0 of the supplementary PI technical guide on 27 June 2019.</p>
	Item 9 – Statutory guidance for survivor benefits	<p>MHCLG update: MHCLG confirmed that they had hit a number of sticking points that prevented finalisation of the statutory guidance. The sticking points are around historical CETVs and Trivial Commutations, and whether or not these should be revisited? Additionally, it may be that the extant SoS may also need to be adjusted.</p> <p>MHCLG confirmed that they hope to finalise the statutory guidance in the autumn of 2019.</p> <p>MHCLG action: To publish statutory guidance for survivor benefits, else provide an update of the latest position on 10 December 2019.</p>
	Item 12 – Transfers out – update re requests from Claims Management companies (see minutes of the meeting held on 11 December 2018 - item 3(c))	<p>Group member update: Heather Chambers (NEPOF) provided an updated report containing the final position.</p> <p>Group discussion: Heather chatted through the points raised in her report. Following which the group had a general discussion as to the content. It was noted that of the cases reported, the majority took place before 1 April 2015 (i.e. pre Freedom & Choice).</p> <p>Group agreement:</p> <p>Question 1 Given the small volume of genuine claims reported to date, is there a requirement for legal advice to support the assertion that the “standard” approach to due diligence meant that funds took reasonable and proportionate actions before paying the transfer? Standing members voted ‘NO’.</p> <p>Question 2</p>

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		<p>If not, is there perhaps a role for LGA to support/co-ordinate a standard form of response to compensation claims based on existing case law and understanding of legal requirements?</p> <p>Standing members agreed that the LGA would act as a ‘post box’ and be a conduit to share experiences amongst administering authorities.</p> <p>Group action: Send responses already issued to claims management companies to Jayne Wiberg, who in turn will forward to other administering authorities for reference and consistency.</p> <p>Question 3 Regarding the approach to due diligence for current and future cases, should legal advice be obtained to understand what further diligence (if any) should be undertaken beyond the standard approach or have the post 2015 requirements for independent financial advice sufficiently reduced/removed the risk of a future claim?</p> <p>Standing members voted ‘NO’.</p> <p>Additional query A member of the group asked how members are valuing CETVs where the request is made by a Claims Management Company? The group did not have any consensus and believed the answer would be in the responses already issued by administering authorities.</p>
	Item 15 - Historical list of recommendations / agreements / outcome of decisions made by the Group	<p>Group member update: Heather Currie to update spreadsheet with position before 28 September 2018.</p> <p>Group action: Deferred until meeting of 10 December 2019.</p>
4	LGPC update – Jayne Wiberg	<p>Group discussion: To note and raise any queries during the meeting</p>

Agenda item	Description	Outcome
		<p>a) Equitable Life Further to the article in bulletin 188 and the legal advice sought by LGA, of the representatives from administering authorities present, none were seeking the views of their scheme members. Rather they were simply informing their scheme members of the changes.</p> <p>b) Taper Annual Allowance In bulletin 188 it was confirmed that HMT will review how the tapered annual allowance supports the delivery of public services such as the NHS. Jayne Wiberg confirmed that she would be attending a public service meeting on 23 September 2019 with John Glen (Economic Secretary to the Treasury – EST) to discuss the impact of the taper annual allowance on the provision of public services.</p> <p>Group action: Group members to send to Jayne Wiberg an email of their experiences of operating the annual allowance taper before 12 noon on 23 September 2019.</p>
5	<p>STANDING MEMBERS ONLY DUE TO COMMERCIAL SENSITIVITY</p> <p>Purchase of LGPS Knowledge System</p> <p>Email from Chair to POG chairs on 17 July 2019</p> <ul style="list-style-type: none"> Discuss ‘undertaking in principle’ document. 	<p>Standing members discussion: The chair confirmed that only 21 administering authorities (out of 87) had signed the ‘undertaking document’.</p> <p>There appeared to be a couple of reasons for the low take up and action was agreed to attempt to rectify these issues:</p> <p>a) LPOG Neil Mason confirmed (w/c 16 September 2019) that he had not sent the Chair’s email of 17 July 2019 to LPOG members. LPOG is made up of around 32 administering authorities and may have a significant impact on the overall decision.</p> <p>Chair action: To again contact Neil Mason (Chair of LPOG) and request that LPOG be issued with the Chair’s email of 17 July</p>

Agenda item	Description	Outcome
		<p>2019 and for Neil Mason to send all responses to the Chair by 26 November 2019.</p> <p>b) Understanding and clarification Lack of understanding in how the ‘undertaking document’ fits into the overall process and how the share of procurement costs would be split between administering authorities. LGA action: Jeff Houston to provide a clarifying email to the Chair, who in turn will forward the clarifying email to standing members for distribution to their POG members.</p> <p>Standing members agreement: Defer final decision to 10 December 2019.</p>
6	<p>Contracted-out reconciliation stalemate cases</p> <p>Query on how to proceed - NILGOSC?</p>	<p>LGA update: Jayne Wiberg confirmed the following recommendations to be taken concerning stalemate cases. These will be published in bulletin 189 (September 2019):</p> <ul style="list-style-type: none"> a) Where there is no trace of the person in the administering authority pension fund, under GDPR all such records must be deleted. b) For all other stalemate cases, be this regarding queries concerning contracted-out service, GMP values etc., take no action until pensionable age. c) Upon payment (or a request for payment of a ‘not in scheme’ case), query these cases with HMRC through BAU. On 17 September 2019 HMRC confirmed that the BAU model is currently in the process of being signed off. HMRC also confirmed that Jayne Wiberg would have sight of the document before publication.
7	<p>Removed by SPLG group member prior to meeting Transfers from LGPS E&W to LGPS Scotland</p>	<p>Group discussion:</p>

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	<p>There appears to be delays where a transfer takes place from LGPS E&W to LGPS Scotland, due to administering authorities in LGPS E&W communicating with the scheme member rather than the Scottish LGPS Administrator. See example 'live' case.</p>	<p>Group recommendation:</p>
8	<p>Standing item – McCloud and Sargeant case</p> <p>Background The case concerns the transitional protections provided to members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme reforms. On 20 December 2018, the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified.</p> <p>Latest position The Government appealed this decision however, the Supreme Court denied the Government right to appeal on 27 June 2019. This means that the Court of Appeal’s decision is upheld and the case has returned to an employment tribunal for a remedy decision.</p> <p>The outcome of this ruling will increase the cost of the Scheme as any remedy must be ‘upwards’ not ‘downwards’. Therefore, the cost management processes will need to be re-run once the cost of the McCloud and Sargeant remedy is known.</p> <p>The cost management page of the English and Welsh SAB website contains background information on the case,</p>	<p>Group discussion: LGA update: Jeff Houston provided the group with a general update reflecting the latest position. In particular that there will be different remedies for each public service scheme and that the Government has confirmed that in their view the Supreme Court’s ruling on the McCloud and Sargeant case applies to all public service schemes.</p> <p>Remedy As part of the ongoing discussions concerning remedy, the LGA (w/c 23 September 2019) will be seeking information from administering authorities concerning the underpin and pension saving statements.</p> <p>Cost cap The costs of the eventual remedy will be fed into the cost cap calculations. (Cost cap April 19, McCloud 2014). The outcome will then be reassessed taking these revisions into account.</p> <p>2019 Valuation Regarding the 2019 valuation, GAD will expect to see a statement within the valuation concerning the McCloud and Sargeant case.</p> <p>Group action:</p> <p>a) Although Government is far from agreeing any remedy, it is highly likely that administering authorities will need to undertake historical reviews. Group members may therefore wish to consider how easy it would be to reconstruct final salary service for those members excluded</p>

Agenda item	Description	Outcome
	including a Q&A which has been updated to take into account the Supreme Court ruling.	from the 2014 transitional protections?
9	<p>Standing item – MHCLG consultation: Fair deal</p> <p>Latest position The MHCLG consultation on ‘Fair deal – strengthening pension protection’ in the LGPS closed on 4 April 2019. The consultation documents and the response submitted by the LGPC can be viewed on the Scheme consultations page of www.lgpsregs.org. The Chair of National LGPS Technical Group responded on 13 March 2019.</p>	<p>Group action: To note</p> <p>MHCLG update: MHCLG confirmed that they had not quite finished the policy work and will provide a further update on 10 December 2019. Update group on implementation timescales.</p>
10	<p>Standing item - HMT Consultation: Exit payments cap</p> <p>Latest position In April 2019, HM Treasury launched a consultation called ‘Restricting exit payments in the public sector: consultation on implementation of the regulations’. The consultation documents and the response submitted by the LGA can be viewed on the non-scheme consultations page of www.lgpsregs.org. The Chair of National LGPS Technical Group responded on 1 July 2019.</p>	<p>LGA update: Jeff Houston confirmed that HMT are still intending to implement this policy and intend to have regulation on statute by April 2020.</p>
11	<p>Standing item - MHCLG Consultation: Local valuation cycle and the management of employer risk</p> <p>Latest position On 8 May 2019 MHCLG issued a 12 week policy consultation called ‘LGPS: Changes to the local valuation cycle and the management of employer risk’. The consultation closed on</p>	<p>MHCLG update:</p> <p>4 year valuation MHCLG confirmed that it is likely that for now they will retain a 3 year valuation and in 2021 review the situation further. The outcome of which is highly dependent on data quality.</p> <p>Exit credits MHCLG confirmed that they may bring forward a separate SI to address this</p>

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	<p>31 July 2019. The consultation documents and the response submitted by the LGPC can be viewed on the Scheme consultations page of www.lgpsregs.org. The Chair of National LGPS Technical Group responded on 15 July 2019.</p> <p>MHCLG have confirmed that they have received 279 responses, and that it is likely they will publish their response in the autumn of 2019. Once issued their response will be published on the scheme consultations page of www.lgpsregs.org.</p>	area.
12	<p>Standing item – LGA technical queries with MHCLG</p> <p>Latest position All LGA technical queries with MHCLG can be found on the ‘technical group minutes’ page of www.lgpsregs.org and www.scotlgps.org.</p>	<p>Group action: To note</p>
13	<p>Standing item - historical list of recommendations / agreements / outcome of decisions</p> <p>Latest position All recommendations / agreements / outcome of decisions made by the National LGPS Technical Group from 28 September 2018 can be found on the ‘technical group minutes’ page of www.lgpsregs.org and www.scotlgps.org.</p>	<p>Group action: To note</p>
14	<p>Standing item – list of recommendations made to the SAB E&W since November 2018</p> <p>Latest position Recommendations made to the SAB E&W from November 2018</p>	<p>Group action: To note.</p> <p>Query The LGA Secretariat has received a number of queries concerning as to how administering authorities should process cases that are affected by the</p>

Agenda item	Description	Outcome
	<p>can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.</p>	<p>aggregation and concurrency issue, prior to a change in the regulations made by MHCLG? See paper.</p> <p>Group agreement - complete The group agreed that the regulations should continue to be interpreted and applied by each administering authority.</p>
15	<p>Standing item – Group membership</p> <p>Latest position The current list of group membership can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.</p>	<p>Group action: To note</p>
16	<p>Standing item - any other business Written details using the blank template for agenda items to be given to the Chairman (Kevin Gerard) prior to the start of the meeting.</p>	<p>Group query:</p> <p>a) No deal BREXIT A member of the group asked MHCLG if the impact of a 'No deal BREXIT' on the LGPS had been examined by MHCLG? MHCLG confirmed that they had examined the investment implications and concluded that there was no real threat.</p>
17	<p>10 December 2019</p> <p>AON</p> <p>Agenda items for meeting of 10 December 2019 to be supplied to the Secretary and Jayne Wiberg by no later than close of play 26 November 2019 using the blank template for agenda items for this meeting.</p>	To note
	<p>6 March 2020</p> <p>PWC</p> <p>Agenda items for meeting of 6 March 2020 to be supplied to the Secretary and Jayne Wiberg by no later than close of play 28 February 2020 using the blank</p>	To note

Agenda item	Description	Outcome
	template for agenda items for this meeting.	
	<p>12 June 2020</p> <p>Mercer</p> <p>Agenda items for meeting of 12 June 2020 to be supplied to the Secretary and Jayne Wiberg by no later than close of play 29 May 2020 using the blank template for agenda items for this meeting.</p>	To note
	<p>25 September 2020</p> <p>Barnet Waddingham</p> <p>Agenda items for meeting of 25 September 2020 to be supplied to the Secretary and Jayne Wiberg by no later than close of play 11 September 2020 using the blank template for agenda items for this meeting.</p>	To note
	<p>11 December 2020</p> <p>Hymans</p> <p>Agenda items for meeting of 11 December 2019 to be supplied to the Secretary and Jayne Wiberg by no later than close of play 27 November 2020 using the blank template for agenda items for this meeting.</p>	To note