

## National LGPS Technical Group Minutes

The National Local Government Pension Scheme (LGPS) Technical Group is a member of the Local Government Pensions Committee (LGPC).

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## 1) Date and time of meeting

The meeting started at 9.30am and finished around 12.30 pm on 1 October 2020.

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## 2) Venue

The meeting was held virtually by way of MS Teams. Unless members are notified otherwise, all meetings will be held virtually.

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## 3) Attendees and apologies for absence

### Attendees

- Kevin Gerard – Welsh Pension Officer Group (WPOG) - Chair
- Joanne Griffiths – Welsh Pension Officer Group (WPOG)
- Ian Howe – East Midlands Pension Officer Group (EMPOG) - Vice Chair
- Gary McClellan – East Midlands Pension Officer Group (EMPOG)
- Karen Gibson – South West Area Pension Officer Group (SWAPOG)
- Katherine Shore – South West Area Pension Officer Group (SWAPOG)
- Heather Currie – North East Pension Officer Forum (NEPOF)
- Heather Chambers – North East Pension Officer Forum (NEPOF)
- Debbie Sharp – Shrewsbury Pension Officer Group (SPOG)
- Paul Hill – Shrewsbury Pension Officer Group (SPOG)
- Sandy Armstrong – Southern Area Pension Officer Group (SAPOG)
- Clair Lewis Smith – Southern Area Pension Officer Group (SAPOG)
- Richard Smythe – London Pension Officer Group (LPOG)
- John Smith – London Pension Officer Group (LPOG)
- Joel Ellner – South East Counties Superannuation Officer Group (SECSOG)
- Louise Savage – South East Counties Superannuation Officer Group (SECSOG)
- Zena Kee – Northern Ireland Local Government Officers Superannuation Committee (NILGOSC)
- Erin Savage – Scottish Pensions Liaison Group (SPLG)
- Jeremy Hughes – Ministry of Housing Communities and Local Government (MHCLG)
- Con Hargraves – Ministry of Housing Communities and Local Government (MHCLG)
- Roddy McLeod – Scottish Public Pensions Agency (SPPA)
- Siobhan McKelvey – Department for Communities - Northern Ireland (DfC)
- Jayne Wiberg – Local Government Association (LGA)
- Steven Moseley – Local Government Association (LGA)

- Paul Kateley – Aquila Heywood
- Jon Slater – Equiniti
- Paul Hill – Civica
- Catherine Carruthers - Capita
- Annemarie van Bochove Allen – Barnet Waddingham
- Catherine Pearce – AON
- Alan Johnson – Hymans
- Justine Davies – Price Waterhouse Coopers
- Jonathon Perera – Mercer
- Kelly Scotford - Secretary

### **Apologies for absence**

- Neil Mason – London Pension Officer Group (LPOG)
- Kimberley Linge – Scottish Public Pensions Agency (SPPA)
- Lorraine Bennett - Local Government Association (LGA)
- Nigel Thomas – Mercer
- Ian Colvin – Hymans

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## **4) Minutes of the last meeting**

On 19 June 2020 [the minutes of the meeting held on 12 June 2020](#) were published.

The minutes were agreed unanimously.

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## **5) Matters arising from previous minutes (2 items)**

The following matters arise from previous meetings.

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### **5.1 National Insurance database (NIDB)**

The [paper](#) supplied by Lorraine Bennett at the meeting of 10 December 2019 confirmed that several administering authorities had not signed the new data sharing agreement, and of those who had signed had not uploaded data to the NI database. For the NI database to successfully work, all administering authorities need to upload data on a regular basis. Members agreed that Lorraine Bennett should contact the Chair of Pension Committees and Local Pension Boards of the administering authorities that had not fully responded to inform them of their authority's noncompliance.

## Update

On 29 July 2020, Lorraine Bennett sent letters to the chairs of the local pension boards and pension committees of those funds who aren't participating in the NI database. These are:

- London Borough of Brent – letter to both chairs
- London Borough of Tower Hamlets – letter to both chairs
- London Borough of Southwark – letter to LPB (no PC)
- Orkney – letter to PC – no contact information for LPB
- Tayside – letter to PC – no contact information for LPB
- Scottish borders – letter to both chairs.

## Postscript

Following the meeting Lorraine confirmed:

- London Borough of Brent – letter to both chairs DSA now signed – no data uploaded yet. Lorraine has confirmed that she will regularly chase for the data to be uploaded
- London Borough of Tower Hamlets – letter to both chairs – chased Chair of LPB a couple of times, they signed DSA ages ago but have never uploaded data - Chair has responded and will chase up team
- London Borough of Southwark – letter to L P B (no PC) – DSA signed, and data uploaded – no further action required
- Orkney – letter to PC – no contact information for LPB – data uploaded – no further action required
- Tayside – letter to PC – no contact information for LPB - response received, DSA being considered by legal team. Lorraine has confirmed that she will regularly chase for completion
- Scottish borders – letter to both chairs. – response received, DSA being considered by legal team. Lorraine has confirmed that she will regularly chase for completion

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## 5.2 Survivor benefits

The LGPS (Miscellaneous Amendment) Regulations 2018 were effective from 10 January 2019 and affected the payment of survivor benefits. At the meeting of 8 March 2019 MHCLG confirmed that statutory guidance will be issued containing information on how to approach revised benefit calculations, cash equivalent transfer values, and trivial commutation. Since that date the Government has published [a written Ministerial Statement on the Goodwin case](#).

## Update

MHCLG confirmed:

- that there has not been any progress in this area due to conflicting priorities (McCloud, Exit Cap etc together with the Goodwin case)
- the draft statutory guidance that had been prepared will need to be revised to include the Goodwin case
- there will need to be regulatory changes to accommodate the Goodwin case (expected early 2021)
- CIPFA will be issuing guidance to authorities clarifying how to account for the impact of the Goodwin case
- SAB have been approached by several authorities regarding the legal position - MHCLG will follow up the last point with SAB

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## 6) LGPC update

Jayne Wiberg [provided an update](#) on behalf of the LGPC.

### Group discussion

The group raised several queries concerning the LGPC update:

- GMP Equalisation – Jayne confirmed that a consultation on Public Sector Pensions: GMP indexation is expected in October 2020 (postscript: On 7 October 2020 HMT published their consultation on Public Sector Pensions GMP Indexation; it is available on the non-scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgpsregs.org](http://www.scotlgpsregs.org)).
- McCloud – There has been guidance issued around the implementation of McCloud and the Fire Fighters Pension Scheme concerning the calculation of current cases. A query arose as to why similar guidance has not been issued on behalf of the LGPS? MHCLG confirmed this is because the LGPS does not have any employment tribunal cases. They are hoping to have the remedy legislation laid quickly to prevent such cases from occurring.
- Ill health PO 22432 – This case concerned the outcome of an opinion by a senior adjudicator in relation to an ill health complaint (see bulletin [LGA Bulletin 199](#) for the full details). A query arose as to the impact of this opinion. Although the adjudicator's opinion was accepted by the respondents in the case, the LGA asked for clarification from the legal team at the Pensions Ombudsman (TPO) because of the potential implications for the Scheme as a whole. In response, TPO's senior counsel stated that because the opinion has been accepted by the respondents it cannot be revisited. However, because the LGA had raised the

issue in the context of future investigations, he confirmed that TPO is unlikely to expect administering authorities to substantially revise their general approach at stage two of an ill health appeal (of remitting back to employers when upholding appeals that the employer has not correctly assessed an application). He asked that if the same issue arises in the future, the respondents ask the TPO adjudicator to approach the legal team for assistance, noting that the LGA have previously raised the point in issue in PO-22432 (after closure). They will then be able to provide a full analysis on a live case and their views on how the legislation should be interpreted and followed.

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## 7) MHCLG update

Jeremy Hughes [provided an update](#) on behalf of MHCLG.

### Group discussion

There was a general discussion by the group covering the points raised in the MHCLG update. Additional points raised include:

- MHCLG will issue an equality consultation in early 2021 covering the Goodwin case and GMP Equalisation
- there is an exit credit judicial review hearing on 12 November (this looks at whether exit credits constitute state aid)

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## 8) SPPA update

Roddy McLeod [provided an update](#) on behalf of SPPA.

### Group discussion

There was a general discussion by the group covering the points raised in the SPPA update.

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## 9) DfC update

Siobhan McKelvey [provided an update](#) on behalf of DfC.

### Group discussion

There was a general discussion by the group covering the points raised in the DfC update. It was acknowledged that similar Goodwin amendments would also need to be made to the Northern Ireland LGPS Regulations.

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## 10) COVID-19

### Matters arising

Since March 2020 COVID-19 pandemic has hit our landscape. This agenda item is an opportunity to discuss:

- any issues members of the group may have in administering the scheme, and
- any queries members of the group may have with any of the guidance that has been published.

### Group discussion

There was a general discussion by the group covering the issues raised by COVID-19.

### Data Collection

At the meeting of 12 June 2020, the England and Wales SAB requested that members of the National LGPS Technical Group assist with the collection of death data to help understand the impact of the COVID-19 on the LGPS. The data needed is the total number of deaths on pension tasks / cases started each calendar month, going back to February 2020. From November 2020 the data is to be collected on a quarterly basis.

### Latest position

Lorraine provided [an update](#) on behalf of SAB.

### Group discussion

There was a general discussion by the group covering the collection of death data.

MHCLG enquired if the volume of requests for redundancy is proving to be an issue for administering authorities due to most colleagues working from home. The group provided a mixed update with some reporting a downturn in redundancy calculations whilst others have removed this facility.

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## 11) The Pension Schemes Bill 2019-21

Jayne Wiberg provided the group with [an update](#) on the Pension Schemes Bill 2019-21. The Bill was introduced into the House of Lords by the Government (Baroness Stedman-Scott) on 7 January 2020. The Bill completed its House of Lords stages on 15 July 2020 and was [presented for its first reading](#) (no debate) to the House of



Commons on 16 July 2020. The Bill will have its second reading (including debate) on 7 October 2020.

[As at 16 July 2020, the Bill is made up of five parts:](#)

- one and two - introduces Collective Defined Contribution (CDC) schemes
- three - introduces new powers for the Pensions Regulator (tPR) concerning employer debt
- four – introduces the creation of Pensions Dashboards
- five – makes amendments concerning funding for defined benefit schemes, the governance of climate change investments, exercising right to a cash equivalent transfer value, pension protection fund and administration charges

Group discussion

There was a general discussion by the group covering the implications of the Bill.

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## **12) MHCLG consultation: McCloud remedy**

MHCLG published a [consultation on amendments to the statutory underpin](#). The consultation seeks views on proposed changes to the LGPS in England and Wales to remove the unlawful age discrimination identified in the McCloud judgment. The 12-week consultation closed on 8 October 2020. Con Hargraves discussed the consultation with the group.

Group discussion

Various concerns were raised, largely around resource, timing and the reliance on an automated solution to upload the historical data to the pensions administration systems.

Postscript

On 6 October 2020 SAB responded to the consultation. This can be found in the Scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org).

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## **13) SPPA consultation: McCloud remedy**

On 31 July 2020, [SPPA published a consultation](#) on amendments to the statutory underpin. The consultation seeks views on proposed changes to the LGPS in Scotland to remove the unlawful age discrimination identified in the McCloud judgment. The 12-week consultation closed on 23 October 2020.

## Group discussion

Various concerns were raised, largely around resource, timing and the reliance on an automated solution to upload the historical data to the pensions administration systems.

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### 14) MHCLG consultation: Fair deal

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](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 13 March 2019.

#### Update

Con Hargrave provided an update on behalf of MHCLG. Essentially there has not been any progress in this area due to conflicting priorities (McCloud, Exit Cap etc together with the Goodwin case). MHCLG expect to pick this up again in 2021.

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### 15) MHCLG Consultation: Local valuation cycle / management of employer risk

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 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](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 15 July 2019. On 27 February 2020, MHCLG published a [partial response](#) to the consultation covering changes to the local valuation cycle and the management of employer risk. The response covers the proposals on exit credits only. It confirms that most respondents supported the proposal to allow administering authorities to take account of an employer's exposure to risk when calculating an exit credit. As a result [The Local Government Pension Scheme \(Amendment\) Regulations 2020](#) giving effect to the proposals were laid in Parliament on 27 February 2020. They came into force on 20 March 2020 but have effect from 14 May 2018.

On 26 August 2020, MHCLG published a [second partial response to the Local valuation cycle and the management of employer risk consultation](#) that was issued in May 2019. The response confirmed that the LGPS 2013 Regulations would be amended to allow greater flexibility on employer exit payments and the ability to review employer contributions between valuations. The [LGPS \(Amendment\) \(No.2\)](#)

[Regulations 2020](#) provide for the changes and were laid on 27 August 2020. They came into effect from 23 September 2020.

A further response will be made by MHCLG in relation to the other proposals in the consultation (changes to the local fund valuation cycle, interim valuations and the status of further education, sixth form college and higher education corporations in England and Wales) in due course.

## Update

Con Hargrave confirmed that there will be two forms of additional guidance to support the exit credit flexibilities. MHCLG will issue statutory guidance whilst SAB will issue operational guidance. Both sets of guidance are expected to be published early in 2021.

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## 16) HMT Consultation: Public sector exit payments

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](http://www.lgpsregs.org). The Chair of National LGPS Technical Group [responded](#) on 1 July 2019. MHCLG confirmed at the meeting on 6 March 2020 that the Government intend to implement the £95k cap across the public sector and implement the claw back.

### Latest position

On 21 July 2020 [the Government published their response](#) on bringing in the £95k exit cap, further reform and implement clawback.

On 7 September 2020, [MHCLG published a consultation](#) on the reform of exit payments in local government. The consultation closes on 9 November 2020. It seeks information on:

- the effects that the proposals for reform will have on the regulations which currently govern exit payments (including both redundancy compensation pay and early access to pensions) in local government
- the impact that the proposals for reform will have on the local government workforce

## Update

Jeremy Hughes explained that the MHCLG regulations covering further reform, were intended to come into effect at the same time as HMT regulations restricting public sector exit payments to 95k. However, on 30 September the HMT legislation was debated and approved by Ministers in the House of Commons. This means that once the HMT regulations are signed, they will become effective 21 days thereafter. Consequently, there will be a period during which the HMT regulations are enacted, and the MHCLG regulations are not. The interim period will need to be carefully managed. MHCLG are seeking legal advice as to the impact and they intend to issue guidance for employers.

## Group discussion

The group discussed this area heavily as employers will expect the administrators to support them. Technical Group were concerned that, during the interim period the HMT regulations conflict with the prescription laid down in the LGPS regulations and they would be expected to pay benefits not in accordance with the regulations. Jayne Wiberg confirmed that the LGA is seeking its own legal advice to assist employers. This will be published before the HMT regulations are effective.

## Postscript

The Government made the Restriction of Public Sector Exit Payments Regulations 2020 [SI 2020/1122] on 14 October 2020 and they come into effect on 4 November 2020 (21 days after they were made).

On 14 October 2020 MHCLG published draft regulations covering further reform entitled The Local Government Pension Scheme (Restriction of Exit Payments) (Early Termination of Employment) (Discretionary Compensation and Exit Payments) (England and Wales) Regulations 2020.

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## 17) HMT Call for Evidence: Pensions tax relief administration

At the meeting on 10 December 2019 Jayne Wiberg produced a [paper](#) on pensions tax for the group to discuss. The group were asked to consider whether they wish to pursue making recommendations to the LGPS England and Wales Scheme Advisory Board for a more flexible approach to pension's taxation in the LGPS England and Wales. This item has been deferred since this date due to the impending Call for Evidence which was announced during the March 2020 Budget.

## Latest position

On the 21 July 2020 [the Government published a Call for Evidence](#) on pensions tax relief administration. The consultation closed on 13 October 2020.

## Group discussion

The group agreed to defer this area due to conflicting priorities (McCloud, Exit Cap etc) until 2021.

## Postscript

The LGA published its response to the Call for Evidence on 13 October 2020. This can be found on the non-scheme consultations page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

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## 18) Pensions Dashboards Programme Call for Input: working paper on data standards

At the last meeting George Currie seconded from the Pensions and Lifetime Savings Association (PLSA) and Chris Connelly seconded from Equiniti to the Money and Pensions Service (MaPS) [delivered a thirty-minute presentation on the documents published by MaPS in April 2020](#)

On 6 July 2020, MaPS [issued a formal Call for Input](#) which closed on 31 August 2020. [The LGA published their response on 25 August 2020](#).

## Group discussion

The group noted the LGA response and briefly discussed the impact.

## Postscript

The Pensions Dashboards Programme confirmed that the LGA response has been reviewed and was very helpful. A summary of responses to the Call for Input on data will be published on their [website](#) at the end of October 2020.

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## 19) CIPFA annual report guidance

At the meeting in March 2020 Richard Lloyd-Bithell from the Chartered Institute of Public Finance and Accountancy (CIPFA) discussed with the group how the key performance indicators (KPIs) within the CIPFA annual report guidance were determined. The group made various agreements with Richard ([these are noted in the minutes of the March 2020 meeting](#)). They also agreed to set up a sub-group to

work with CIPFA with representatives from each of the regional pension officer groups in England, Wales and Scotland.

At the meeting of 12 June 2020, it was agreed to delay implementation of the group, so as not to add pressures to those already faced by administering authorities due to COVID-19.

#### Group discussion

The group agreed that this area had fallen by the wayside in levels of importance due to conflicting priorities (McCloud, Exit Cap etc). They also noted that the SAB Good Governance review is also moving along and thus agreed to push this work back to 2021.

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### 20) LGA technical queries with MHCLG

All [LGA technical queries](#) with MHCLG can be found on the ‘technical group minutes’ page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org). The latest version is dated 14 July 2020.

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### 21) Historical list of decisions made by the group

All [recommendations / agreements / outcome of decisions](#) made by the National LGPS Technical Group from 1 April 2014 to date can be found on the ‘technical group minutes’ page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

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### 22) List of recommendations made to the SAB England and Wales

[Recommendations](#) made to the SAB England and Wales from November 2018 to date can be found on the ‘technical group minutes’ page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

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### 23) Group membership

The current list of [group membership](#) can be found on the ‘technical group minutes’ page of [www.lgpsregs.org](http://www.lgpsregs.org) and [www.scotlgps.org](http://www.scotlgps.org).

#### Group agreement

It was agreed to expand the membership of the group to include two representatives from SPPA. Roddy McLeod will attend the group alongside Kimberly Linge.

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## 24) Any other business

- MHCLG confirmed that their first forfeiture cases is now with the Minister, plus another case has come arisen relating to a police civilian.
- There was a general discussion surrounding transfers and obtaining guidance.
- Justine Davies enquired as to whether anyone has attended a virtual conference that had virtual breakout rooms. Several the group mentioned that they had attended such conferences and found the virtual breakout rooms to be useful.

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## 25) Date of next meetings

### 10 December 2020 (date changed from 11 December 2020)

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 10 December 2019 to be supplied to

[Kelly.Scotford@royalgreenwich.gov.uk](mailto:Kelly.Scotford@royalgreenwich.gov.uk) the Secretary and [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk) LGA by no later than 5.00 pm on 27 November 2020 using the [blank template for agenda items](#).

### 5 March 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 5 March 2021 to be supplied to

[Kelly.Scotford@royalgreenwich.gov.uk](mailto:Kelly.Scotford@royalgreenwich.gov.uk) the Secretary and [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk) LGA by no later than 5.00 pm on 19 February 2021 using the [blank template for agenda items](#).

### 18 June 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 18 June 2021 to be supplied to

[Kelly.Scotford@royalgreenwich.gov.uk](mailto:Kelly.Scotford@royalgreenwich.gov.uk) the Secretary and [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk) LGA, by no later than 5.00 pm on 4 June 2021 using the [blank template for agenda items](#).

### 1 October 2021

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 1 October 2021 to be supplied to

[Kelly.Scotford@royalgreenwich.gov.uk](mailto:Kelly.Scotford@royalgreenwich.gov.uk) the Secretary and [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk) LGA by no later than 5.00 pm on 9 September 2021 using the [blank template for agenda items](#).

## **7 December 2021**

MS Teams – 9.30am till 2.00pm

Agenda items for meeting of 7 December 2021 to be supplied to

[Kelly.Scotford@royalgreenwich.gov.uk](mailto:Kelly.Scotford@royalgreenwich.gov.uk) the Secretary and [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk)

LGA by no later than 5.00 pm on 23 November 2021 using the [blank template for agenda items](#).