



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 at 12 noon on 10 December 2020.

2) Venue

The meeting was held virtually by way of MS Teams.

3) Attendees and apologies for absence

Please can all members accept or decline the meeting invite by the date agenda items are due for each meeting.

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 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)
- John Smith – London Pension Officer Group (LPOG)
- Neil Mason – 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)
- Siobhan McKelvey – Department for Communities - Northern Ireland (DfC)
- Jayne Wiberg – Local Government Association (LGA)
- Lorraine Bennett - Local Government Association (LGA)
- Steven Moseley – Local Government Association (LGA)
- Paul Kateley – Aquila Heywood

- Jon Slater – Equiniti
- Julie Potter – Civica
- Roger Swift - Capita
- Annemarie van Bochove Allen – Barnet Waddingham
- Catherine Pearce – AON
- Ian Colvin – Hymans
- Justine Davies – Price Waterhouse Coopers
- Jonathon Perera – Mercer
- Kelly Scotford - Secretary

Apologies for absence

- Richard Smythe – London Pension Officer Group (LPOG)
- Catherine Carruthers (Capita)
- Nigel Thomas – Mercer

Nonattendance

- Heather Currie – North East Pension Officer Forum (NEPOF)
- Roddy McLeod – Scottish Public Pensions Agency (SPPA)
- Kimberley Linge – Scottish Public Pensions Agency (SPPA)

4) Minutes of the last meeting

On 21 October 2020 the [minutes of the meeting held on 1 October 2020](#) were published.

The minutes were agreed unanimously.

5) Matters arising from previous minutes

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 NIDB.

Update

Lorraine confirmed the position on the last two outstanding administering authorities:

- Tayside provided their IP address on 9 December 2020 and should be uploaded shortly

- Scottish borders are undergoing a data impact assessment

Lorraine also confirmed that 87 administering authorities now use Tell Us Once and there are three more in the pipeline to join. The Chair thanked Lorraine for all the work she had undertaken in this area commenting that the NI data base and Tell Us Once benefits all administering authorities.

6) LGPC update

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

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

7) MHCLG update

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

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

Exit payments

The group raised various questions around the practical application of the £95k cap, including the waiver process and differences in approach in England to Wales. MHCLG confirmed they will publish waiver process guidance together with some FAQs.

MHCLG reforming local government exit pay

A question arose as to whether administering authorities held ethnicity and disability information. Currently this data is not held as it is not required to calculate LGPS pension benefits. However, there is a question over whether this information should be held to enable MHCLG to perform an equality impact assessment on their proposed reform to local government exit pay.

GMP equalisation – Lloyds Bank 3

The [final judgment in the Lloyds Bank GMP equalisation](#) case looked at what GMP equalisation means for individual and bulk transfers that have made since 17 May 1990. On 20 November 2020, the judge concluded that individual transfers should have been calculated on an equalised basis. Where they were not, the transferring scheme retains a liability to those members.

MHCLG confirmed that they were liaising with HMT, GAD and other PSPS regarding the next steps. They are hopeful to be able to limit the cases to exclude Club transfers. A question arose as to the effect this judgement might have on forthcoming company accounts?

Action

MHCLG to consider the effect that the Lloyds 3 judgement might have on company accounts and confirm back to the group with their findings.

MHCLG Consultation: Local valuation cycle / management of employer risk

MHCLG have previously 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. On 2 December 2020, SAB issued draft operational guidance for comment by 9 January 2021. The intention is for the MHCLG statutory guidance to be published on or around the same time as the SAB guidance, late January 2021.

8) SPPA update

Rodney MacLeod [provided an update](#) on behalf of SPPA prior to the meeting, though was not present to deliver the update in person.

9) DfC update

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

10) MHCLG consultation: McCloud remedy

MHCLG published a [consultation on amendments to the statutory underpin](#). The consultation sought 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. On 6 October 2020 SAB responded to the consultation. This can be found in the [Scheme consultations page](#) of www.lgpsregs.org.

Update

There was a general discussion covering McCloud data collection. Group members confirmed the following:

- Some administering authorities have already started or are in the process of, launching their McCloud data collection exercise, with the aim of obtaining the data by March 2021.
- Tyne & Wear Pension Fund (T&WPF) are waiting for their software providers to produce a bulk upload facility. Also open for discussion is the overall approach to data upload. Should the data be uploaded and overwrite existing data, or should the data be challenged where there is a difference from that already held? Also observed is that there will be quite a significant amount of manual intervention which might require extra staff to be recruited.
- Royal Borough of Greenwich recently restructured their payroll department. They made allowance for the McCloud data collection exercise to be resourced by way of a secondment. The exercise will be undertaken manually and so far, it appears that 10 to 15 per cent of the exercise relates to deferred and pensioner members.
- Essex Pension Fund have started the McCloud data collection exercise. They have approximately 650 employers of which half have returned the data, so they feel that they are progressing well. They have also been looking at resources to complete the exercise.
- NILGOSC have issued the McCloud data collection documents to their employers (concerning around 36,000 members) and requested that the data be supplied by March 2021.
- Software supplier Aquila Heywood confirmed that their McCloud data upload facility is in test with their test sites (various administering authorities). Leicestershire Pension Fund confirmed that they are one of the test sites. Following initial checks, the data looks good and they are now working with Aquila Heywood to perform the upload.
- Software supplier Civica confirmed they are meeting with their clients (week commencing 14 December 2020) to look at the next steps. Civica have not yet launched an upload facility with their test sites.

11) SPPA consultation: McCloud remedy

SPPA published a [consultation on amendments to the statutory underpin](#). The consultation sought 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. On 22 October 2020 LGPC responded to the consultation. This can be found in the [Scheme consultations page](#) of www.scotlgpsregs.org.

To note

12) DfC consultation: McCloud remedy

DfC published [a consultation on amendments to the statutory underpin](#). The consultation seeks views on proposed changes to the LGPS in Northern Ireland, to remove the unlawful age discrimination identified in the McCloud judgment. The consultation closes on 31 January 2021.

To note

13) 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. The Chair of National LGPS Technical Group [responded](#) on 13 March 2019. At the meeting of 1 October 2020 MHCLG confirmed that they expect to pick this area up again in 2021.

To note

14) 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'. A response will be made by MHCLG in relation to the proposals concerning 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. Meanwhile the following legislation has been enacted.

[The Local Government Pension Scheme \(Amendment\) Regulations 2020](#) giving effect to proposals concerning exit credits were laid on 27 February 2020 and came into force on 20 March 2020, having effect from 14 May 2018.

[The LGPS \(Amendment\) \(No.2\) Regulations 2020](#) giving effect to proposals allowing greater flexibility on employer exit payments and the ability to review employer contributions between valuations were laid on 27 August 2020 and into force on 23 September 2020.

At the meeting of 1 October 2020 MHCLG 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.

On 2 December 2020, Bob Holloway emailed administering authorities for comment on the SAB draft guide to employer flexibilities. Comments on the draft guidance should be submitted by 9 January 2021 to Robert.holloway@local.gov.uk.

MHCLG confirmed it is their intention for the statutory guidance to be published on or around the same time as the SAB guidance - late January 2021.

To note

15) 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 Restriction of Public Sector Exit Payments Regulations 2020](#) [SI2020/1122] ('the exit cap regulations') were signed on 14 October 2020, a [correction slip](#) was published on 27 October 2020 and the regulations came into force on 4 November 2020.

To note

16) MHCLG Consultation: Reforming local government exit pay

On 7 September 2020, MHCLG published a [consultation on reforming local government exit pay](#). The LGA [responded to the consultation](#) before it closed on 9 November 2020.

On 14 October 2020, MHCLG published [draft regulations](#) to accompany the policy consultation: The Local Government Pension Scheme (Restriction of Exit Payments) (Early Termination of Employment) (Discretionary Compensation and Exit Payments) (England and Wales) Regulations 2020. Their purpose is to amend the LGPS regulations and compensation regulations to accommodate the exit payment cap and introduce wider exit payment reforms. MHCLG has invited comments on the draft regulations by 18 December 2020. On 9 December 2020, the Scheme Advisory Board published their [response to the MHCLG exit reform regulations](#).

To note

17) 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. At the meeting of 1 October 2020, 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.

To note

18) Support in making a Death Grant determination

Please [see paper from Rachel Brothwood](#) (West Midlands Pension Fund).

Group discussion

The group discussed Rachel's paper. There was a general concern around the evidence and decision-making process surrounding the payment of death grants. Although not to the extent that support from an external party was required.

Group agreement

The group agreed that it does not require support from an external party surrounding the payment of death grants.

19) Intelligence/Insight/Horizon scanning for TPO

Please [see paper from Mairi Deardon](#) (Head of Employee Engagement) at TPO.

Group discussion

The group discussed the paper from TPO.

Group agreement

It was agreed that each group member would discuss the paper's content at their respective POG. Following the meeting each group member to feedback directly to jayne.wiberg@local.gov.uk with their findings.

20) Eversheds Presentation at Virtual Torquay Conference (CMCs and IFAs)

Please [see paper from Ian Howe](#).

There is a [follow up session](#) following on from Torquay that members of the group maybe interested in attending.

Group discussion

The group discussed Ian's paper. There were several observations:

- A consensus that it is difficult to find good quality advice from independent financial advisors who understand the LGPS rules. However, it was acknowledged that to do nothing was no longer acceptable.
- Should a change be made to the regulations to prevent transfers out of the scheme (excluding club transfers) - though over-riding legislation might prove that suggestion problematic.
- Where does responsibility lay should financial advice prove inaccurate? group members were very nervous around this observation.
- Who should pay for the financial advice? group members felt that this should be the member.

The LGA confirmed that they have had tentative discussions with representatives from the Norfolk framework to see what support (if any) can be provided by way of a framework. The intention would be to provide financial guidance covering all financial decisions a member might need to make in respect of their LGPS benefits (not just transfers).

Group agreement

It was agreed that each group member would discuss the paper's content at their respective POG. Following that meeting each group member to feedback at the next meeting on 5 March 2021.

21) GMP equalisation and historical transfers

Please [see paper from Justine Davies](#).

Group discussion

This matter was discussed in [agenda item 7 – MHCLG update](#).

22) LGA technical queries with MHCLG

All [LGA technical queries](#) with MHCLG can be found on the ‘technical group minutes’ page of www.lgpsregs.org and www.scotlgps.org. The latest version is dated 28 July 2020.

23) 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 and www.scotlgps.org.

24) 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 and www.scotlgps.org.

25) Group membership

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

- Heather Currie, representing NEPOF, will retire at the end of 2020. The chair thanked Heather for her valuable contribution. The chair of NEPOF (Heather Chambers) confirmed that a new representative from NEPOF will attend the meeting on 5 March 2020.

26) Any other business

To be handed to the chairperson before the start of the meeting.

Prudential AVCs

Heather Chambers raised a concern about the poor performance of Prudential, largely concerning the delays in obtaining fund values. The group discussed the matter sharing Heather's concerns. One administering authority had undertaken an independent review, though that merely confirmed the Prudential appeared to be the best within a limited market choice. It was suggested that thought be given to changing the regulations so the provision to appoint an AVC provider was flexible. This was considered [at the meeting of 12 June 2020](#) and at the time the group agreed not to take any further action.

Group agreement

It was agreed that each member of the group would discuss this subject at their respective POG and feed back at the next meeting on 5 March 2021.

Exit payments

Gary McLellan raised a query concerning exit payments. If during the interim period before the MHCLG further reform of local government exit pay is enacted, a member chooses to defer payment of their benefits, can they elect transfer those benefits of the LGPS? At this stage it is all a bit unknown.

Lorraine confirmed that the LGA are working on a responsibilities document, making clear where responsibilities lay. It is important, when asked by employers, administering authorities provide a strain cost, but they should not confirm who is capped or attempt to determine any value under the cap.

27) Date of next meetings

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 the Secretary and jayne.wiberg@local.gov.uk LGA by no later than 12 noon 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 the Secretary and jayne.wiberg@local.gov.uk

LGA, by no later than 12 noon 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 the Secretary and jayne.wiberg@local.gov.uk

LGA by no later than 12 noon 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 the Secretary and jayne.wiberg@local.gov.uk

LGA by no later than 12 noon on 23 November 2021 using the [blank template for agenda items](#).