

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 12.30pm on 5 March 2021.

2) Venue

The meeting was held virtually by way of MS Teams.

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
- Jo Walton – East Midlands Pension Officer Group (EMPOG)
- Liz Vollans – North East Pension Officer Forum (NEPOF)
- Karen Gibson – South West Area Pension Officer Group (SWAPOG)
- Katherine Shore – South West Area Pension Officer Group (SWAPOG)
- Paul Hill – Shrewsbury Pension Officer Group (SPOG)
- Sandy Armstrong – Southern Area Pension Officer Group (SAPOG)
- Clair Lewis Smith – Southern Area Pension Officer Group (SAPOG)
- Neil Mason – London Pension Officer Group (LPOG)
- Richard Smythe – London Pension Officer Group (LPOG)
- Matt Mott – South East Counties Superannuation Officer Group (SECSOG)
- Louise Savage – South East Counties Superannuation Officer Group (SECSOG)
- Richard Clark – 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
- Catherine Carruthers (Capita)
- Annemarie van Bochove Allen – Barnet Waddingham

- Catherine Pearce – AON
- Pete Riedel – Hymans
- Justine Davies – Price Waterhouse Coopers
- Jonathon Perera – Mercer
- Kelly Scotford - Secretary

Apologies for absence

- Debbie Sharp – Shrewsbury Pension Officer Group (SPOG)
- Heather Chambers – North East Pension Officer Forum (NEPOF)
- Joel Ellner – South East Counties Superannuation Officer Group (SECSOG)
- Zena Kee – Northern Ireland Local Government Officers Superannuation Committee (NILGOSC)
- Ian Colvin – Hymans

4) Minutes of the last meeting

On 17 December 2020 the [minutes of the meeting held on 10 December 2020](#) were published.

For group agreement

The minutes were agreed unanimously.

5) Matters arising from previous minutes

5.1 National Insurance database (NIDB) and Tell Us Once (TUO)

Update from Lorraine Bennett

Lorraine confirmed that:

- Scottish Borders are the only administering authority who have not signed up to the NIDB
- 91 administering authorities are signed up to TUO.

The group agreed this item is now closed and can be removed from future agendas.

6) LGPC update

Jayne Wiberg [provided an update](#) on behalf of the Local Government Pensions Committee.

Group discussion

- HMT response to the McCloud consultation for unfunded PSPS, confirms that schemes will have until 1 October 2023 at the latest to move eligible members to the legacy scheme. Where the member is a pensioner / deferred member, do schemes have to recalculate the pensioner / deferred benefits (where appropriate) by that date?

Postscript from Jayne Wiberg

Colleagues at the LGA are of the view that schemes should be in a position to calculate and offer a choice to members who have already retired by October 2023, if not before (as per paragraph 2.100 of [the consultation response](#)).

As deferred members won't be asked to make their choice until they crystallise the benefits, colleagues are of the opinion that the conversion of CARE to final salary must be done by the 1 October 2023. However, the recalculation of benefits would not need to be done until the deferred benefits statements are due, or the member brings their deferred benefits into payment if earlier.

- The LGA published a digital engagement survey which closed on 31 January 2021. Lorraine confirmed that the Communications Working Group will discuss the outcome of the survey at their meeting on 9 March 2021. Thereafter, a timetable will be published for implementing the results.

7) MHCLG update

Jeremy Hughes to provide an update on behalf of the Ministry of Housing, Communities and Local Government.

Group discussion

Jeremy provided a verbal update to the group to which members raised various questions. Following the meeting, Jeremy [provided a written report](#) reflecting his update.

8) SPPA update

Kimberly Linge [provides an update](#) on behalf of the Scottish Public Pensions Agency.

Group discussion

Kimberley provided a verbal update based on her report.

9) DfC update

Siobhan McKelvey to provide an update on behalf of the Department for Communities.

Group discussion

Siobhan provided a verbal update to the group to which members raised various questions. Following the meeting, Siobhan [provided a written report](#) reflecting her update.

10) MHCLG consultation: McCloud remedy

The Ministry of Housing, Communities and Local Government (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 the Scheme Advisory Board responded to the consultation. This can be found in the [Scheme consultations page](#) of www.lgpsregs.org.

Agreement

It was agreed that:

- members should update the group with the latest position within their regional pension officer group at future meetings to help highlight any issues that occur nationally
- LGA to issue a national survey and feedback the results to the group at the next meeting on 18 June 2021.

Regional POG	5 March 2021
EMPOG	<ul style="list-style-type: none"> – majority of administering authorities hold the final salary data – all administering authorities need to check the validity of the final salary data – on first glance the final salary data looks reasonable though varied in how it has been supplied – a number of administering authorities have made available resources to work on McCloud – no administering authority has undertaken member communications or recalculations of benefits
WPOG	<ul style="list-style-type: none"> – majority of administering authorities are looking at recruiting additional staff – aim is to move senior officers onto McCloud and backfill day to day administration – all administering authorities have approached employers for final salary data
SAPOG	<ul style="list-style-type: none"> – one administering authority is ready to interface the data to the pensions administration system – most administering authorities are in the final salary data collection phase – some administering authorities have specified to employers which members they wish to collect final salary data for – one administering authority confirmed they are looking at additional resource to support McCloud
SECSOG	<ul style="list-style-type: none"> – some administering authorities have not stopped collecting final salary data whilst others have no final salary data – some administering authorities only recently had the ability to run member specific reports – huge concerns over final salary data for members employed by schools where the school has switched payroll provider and the data is no longer reportable / held – concerns over the final salary data for casual members

LPOG	<ul style="list-style-type: none"> – some administering authorities have approached employers for final salary data, though there is some variation in how this is being done – some administering authorities have specified for whom they want final salary data whilst other have requested data for all – some administering authorities already hold the final salary data as have continued to collect it – some administering authorities have undertaken an impact assessment, but none have gone as far as resourcing – majority of administering authorities are waiting for draft regulations before progressing further (including requesting final salary data) – Aquila Heywood’s have released a McCloud data interface guide – one administering authority is using McCloud to get employers onto iConnect
SWAPOG	<ul style="list-style-type: none"> – most administering authorities are at the initial final salary data collection stage with a few having more employers to gather data from than others and one or two not having to gather any data at all – concerns about uploading the data received and overwriting existing data, especially where aggregation has occurred – concerns where large employers have changed payroll since 2014 and no historical final salary data reportable / held – some administering authorities have had analysis carried out by their fund actuary on the numbers of members who could be impacted by the remedy in order to plan resource – some administering authorities have had quotes from external providers to manage the projects but have decided to handle in-house – all administering authorities have concerns about the size of the task and how to resource – no administering authority has progressed any further than the initial final salary data collection
NEPOF	<ul style="list-style-type: none"> – no update provided
SPOG	<ul style="list-style-type: none"> – no update provided

11) SPPA consultation: McCloud remedy

The Scottish Public Pensions Agency (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.

Agreement

It was agreed that:

- the SPLG representative should update the group with the latest position within SPLG at future meetings to help highlight any issues that occur nationally
- LGA to issue a national survey and feedback the results to the group at the next meeting on 18 June 2021.

Regional POG	5 March 2021
SPLG	– the SPLG has not met since October so have not been able to discuss this issue

12) DfC consultation: McCloud remedy

The Department for Communities (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.

Agreement

It was agreed that:

- the NILGOSC representative should update the group with the latest position within NILGOSC at future meetings to help highlight any issues that occur nationally
- LGA to issue a national survey and feedback the results to the group at the next meeting on 18 June 2021.

Regional POG	5 March 2021
NILGOSC	<ul style="list-style-type: none"> – the position is quite similar to the updates provided by other group members – final salary data from some scheme employers has been received though not reviewed

13) MHCLG consultation: Fair deal

The Ministry of Housing, Communities and Local Government (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, the Ministry of Housing, Communities and Local Government (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.

On 2 March 2021, MHCLG [published statutory guidance](#) to assist LGPS administering authorities and scheme employers in implementing and operating the regulations on employer flexibilities introduced in September 2020. The guidance covers regulation 64 (Deferred debt agreement); regulation 64A (Revision of rates and adjustment certificate) and regulation 64B (Spreading of exit payments). More [detailed guidance prepared by the Scheme Advisory Board](#) to be read in conjunction with MHCLG's statutory guidance has been prepared.

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.

On 12 February 2021, the government issued the [Exit Payment Cap Directions 2021](#) which disapply parts of the exit cap regulations with immediate effect. As the Directions disapply regulation 3 of the exit cap regulations, the exit cap no longer applies in England with effect from 12 February 2021.

The Scheme Advisory Board in England and Wales sought legal advice on exits that occurred between 4 November 2020 and 11 February 2021. Based on that advice, they recommended that administering authorities:

- may pay unreduced benefits to all members who left during this period due to redundancy or business efficiency at age 55 or over
- should request the full strain cost of paying unreduced benefits from the Scheme employer, and
- should not seek to adjust the unreduced benefits or the strain cost payable by the Scheme employer to reflect any cash alternative payment the employer has paid.

On 4 March 2020, the LGA forwarded a letter to chief executives of councils and LGPS administering authorities from the Ministry of Housing, Communities and Local Government (MHCLG) confirming that:

“the letter from Luke Hall MP of 28 October 2020 to all Councils and LGPS Administering Authorities concerning the implementation of the Restriction of Public Sector Exit Payments Regulations 2020 is now no longer applicable and is hereby withdrawn. The revoking regulations include a provision that requires relevant public authorities to pay to former employees or the relevant pension fund all sums that were not paid as a result of the application of the 2020 Regulations. In doing so, there may need to be co-operation between former employees, scheme employers and the appropriate pensions administrators to enable the employee’s pension entitlements to be adjusted accordingly. We will issue further guidance on this in due course. If you have any questions, please do not hesitate to contact jeremy.hughes@communities.gov.uk.”

To note

16) MHCLG Consultation: Reforming local government exit pay

On 7 September 2020, the Ministry of Housing, Communities and Local Government (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](#).

On 12 February 2021, the government issued the [Exit Payment Cap Directions 2021](#) which disapply parts of the Restriction of Public Sector Exit Payments Regulations 2020 in England with immediate effect. Meaning the exit cap no longer applies with effect from this date.

On 4 March 2020, the LGA forwarded a letter to chief executives of councils and LGPS administering authorities from the Ministry of Housing, Communities and Local Government (MHCLG) confirming that:

“The policy consultation that MHCLG launched in September 2020 on Reforming Local Government Exit Pay is now considered closed. There will be no further changes made to Local Government pensions or redundancy terms without a further, separate consultation.”

To note

The group agreed this item is now closed and can be removed from the agenda.

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 Scheme Advisory Board Good Governance review is also moving along and thus agreed to push this work back to 2021.

To note

18) Intelligence/Insight/Horizon scanning for TPO

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

At the meeting of 10 December 2020, it was agreed that each group member would discuss the paper's content at their respective pension officer group. Following the meeting each member to feedback directly to jayne.wiberg@local.gov.uk with their findings.

Update

Please see [collation of comments](#).

Agreement

Members discussed the comments fed back from the regional pension officer groups. It was agreed that Jayne Wiberg would send these comments to TPO and liaise accordingly.

Postscript

Jayne Wiberg sent report to TPO on 9 March 2021.

TPO responded that same day with the following:

“Thank you so much, this is spot on and arrived in my in box just as I was finishing a meeting with colleagues to discuss what guidance we needed to focus on to on. So perfect timing. Please leave this with me. We are looking at a wider piece of work to review what existing internal guidance we have and how we can simply re purpose and publish on the TPO Website for the industry, promote via our stakeholder relationships and the Stakeholder Newsletter. All of which will focus planning and

activity for the new financial year, with the idea that we're focussing on activity to support the industry and consumers to reduce enquiries and complaints."

19) Claims Management Companies (CMCs) and Independent Financial Advisers(IFAs)

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

At the meeting of 10 December 2020, it was agreed that each member would discuss the paper's content at their respective pension officer group. Following that meeting each member to feedback at the next meeting on 5 March 2021.

Update

Please see [collation of comments](#).

Agreement

Members discussed the comments fed back from the regional pension officer groups. It was agreed that Jayne Wiberg would send these comments to the Scheme Advisory Board in England and Wales and liaise accordingly.

Postscript

Jayne Wiberg sent report to the Scheme Advisory Board in England and Wales on 10 March 2021.

20) Prudential AVCs

At the meeting of 10 December 2020, concerns were raised about the poor performance of Prudential with respects the LGPS in-house AVC schemes. It was agreed that each member would discuss this subject at their respective pension officer group and feedback at the next meeting on 5 March 2021.

Update

Please see [collation of comments](#).

Agreement

Members discussed the comments fed back from the regional pension officer groups. It was agreed that Lorraine Bennett would contact the Pensions Regulator (TPR) to see if anything could be done on a national level to help administering authorities.

Postscript

Following the meeting, Lorraine confirmed to the group that she had contacted TPR.

TPR confirmed that they are aware of the situation. They also confirmed that they would welcome any reports from administering authorities through their [normal whistleblowing channels](#). Although this does not fit into any of TPRs 'standard' boxes they have said they can look into it.

Lorraine requested that group members pass on TPRs response to administering authorities in their regions to action.

21) LGPC Training

Please [see paper](#) by Heather Chambers from NEPOF.

Please [see update](#) from Karl White (Pensions Adviser Training – LGA).

A training update was published by LGA [in bulletin 206](#). No further action required.

To note

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](#).

Update

Prior to the meeting Con Hargrave from the Ministry of Housing, Communities and Local Government (MHCLG) confirmed on 24 February 2021:

“As you probably expect, I’m afraid we haven’t made any progress on these, due to the other matters we’ve had to prioritise over the last year or so. They are very much on our radar though and hopefully we will be able to pick them up again in due course. As and when we get to that stage, we’ll be in touch to discuss”.

During the meeting Jeremy confirmed that MHCLG might be able to include the recommendations requested by the National LGPS Technical Group in a consultation due to be published later in 2021. Though, whether the changes could be backdated is unknown.

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.

Since the meeting of 10 December 2020:

- Gary McClellan has stepped down from the group and is replaced by Jo Walton as a representative for EMPOG, the group thanked Gary for his contribution over the years
- Jonathan Perera has permanently replaced Nigel Thomas at Mercer
- Liz Vollans replaces Heather Currie as a representative for NEPOF.

26) Any other business

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

- Lorraine confirmed that the quarterly collection of death data is moving to a traditional quarter end. Therefore, the next collection of death data is due from administering authorities by 7 April 2021.

27) Date of next meetings

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](#).