

National LGPS Technical Group minutes

10 March 2023

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

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1. Meeting documents

[All documents for this meeting are contained in a single PDF.](#)

No further hyperlinks to these documents are contained elsewhere in the minutes.

2. Date and time of meeting

The meeting started at 11.00 am and finished at 1.45 pm on the 10 March 2023.

3. Venue

The meeting was held at as held at PWC offices at 1 Embankment Pl, London WC2N 6RH.

4. Attendees and apologies for absence

Attendees

1. Kevin Gerard (Chairman) - Welsh Pension Officer Group
2. Joanne Griffiths - Welsh Pension Officer Group
3. Ian Howe (Deputy Chairman) - East Midlands Pension Officer Group
4. Karen Gibson - Southwest Area Pension Officer Group
5. Emma Sanders - Southwest Area Pension Officer Group
6. David Kellond - Southern Area Pension Officer Group
7. Louise Savage – Southeast Counties Superannuation Officer Group
8. Joel Ellner - Southeast Counties Superannuation Officer Group
9. Richard Smythe - London Pension Officer Group
10. Martin Doyle - London Pension Officer Group
11. Vicky Jenks - Shrewsbury Pension Officer Group
12. Debbie Sharp - Shrewsbury Pension Officer Group
13. Heather Chambers - Northeast Pension Officer Forum
14. Liz Vollans - Northeast Pension Officer Forum
15. Erin Savage - Scottish Pensions Liaison Group
16. Richard Clark - Northern Ireland Local Government Officers' Superannuation Committee
17. Alan Wareham – Department for Levelling Up, Housing and Communities
18. Kimberly Linge - Scottish Public Pension Agency
19. Jayne Wiberg - Local Government Association
20. Lorraine Bennett - Local Government Association
21. Steven Moseley (Scotland) – Local Government Association
22. Jeremy Hughes – Scheme Advisory Board England & Wales

23. Paul Kateley – Heywood Pension Technologies
24. Martyn Slaughter - Capita Experience Pension Solutions
25. Kerrie Shields - Civica
26. Dave Friend – Equiniti
27. Jeff Houston - Barnett Waddingham
28. Ian Colvin Actuarial - Hymans Robertson
29. Justine Davies - Price Waterhouse Coopers
30. Catherine Pearce - Aon
31. Jonathan Perera – Mercer
32. Kelly Scotford – Secretariat

Apologies for absence

33. Phil Drury - East Midlands Pension Officer Group
34. Sandy Armstrong - Southern Area Pension Officer Group
35. Zena Kee - Northern Ireland Local Government Officers' Superannuation Committee - replaced by Richard Clark
36. William Dobbin - Department for Communities (Northern Ireland)
37. Joanne Donnelly – Local Government Association
38. Melanie Durrant - Barnett Waddingham – replaced by Jeff Houston
39. Heidi Twort – Equiniti replaced by Dave Friend

5. Minutes of the last meeting

Item 1 of the meeting documents.

To be agreed

The minutes were agreed.

6. Matters arising from previous minutes

None.

7. Local Government Association (LGA)

Jayne Wiberg discussed a number of topics that will appear in bulletin 236 when published at the end of March 2023. Jayne also took questions on bulletins [232](#), [233](#) and [234](#) published since the last National LGPS Technical Group meeting held on 9 December 2022.

Group discussion

The chair raised a question concerning the article in [bulletin 233](#) regarding the recently upheld a complaint against the Teachers' Pension Scheme (TPS) about a transfer out. [In a recently published judgment](#), the Pensions Ombudsman (TPO) upheld Mrs G's appeal. It found that TPS failed to put in place proper processes to conduct adequate checks and enquiries in relation to the London Quantum Pension Scheme and warn Mrs G of the potential consequences of transferring. It also concluded that if TPS had done so, on the balance of probabilities, Mrs G would not have proceeded with the transfer.

The judgment is a useful case study for LGPS administering authorities for understanding how TPO approaches this type of appeal. It also feeds into the enhanced transfer process discussed at [item 17 of this agenda](#).

8. DLUHC update

Alan Wareham provided an update (item 2 of the meeting documents), on behalf of the Department for Levelling Up, Housing and Communities (DLUHC).

Questions from the group

The group discussed a number of topics with Alan, Alan confirmed:

- DLUHC are preparing a consultation document to remove the age 75 limit from death grants and implement the outcome of the Goodwin case
- there has been no movement on the Exit Cap Bill
- DLUHC expecting the SCAPE rate to change which will trigger a factor change
- DLUHC are looking to change the forfeiture regulations and issue associated guidance – this matter was originally raised by the National LGPS Technical Group in November 2018, [see recommendations](#).

On 12 March 2019, [the National LGPS Technical Group recommended](#) to the Scheme Advisory Board (SAB) in England & Wales, that the five year limit on 2014 refunds be removed. On 27 September 2019 SAB wrote to the Parliamentary Under Secretary of State (Luke Hall MP) recommending that the changes be considered by the Department. SAB confirmed on 18 November 2019 that MHCLG (now DLUHC) would be happy to take forward this recommendation for change. Over four years since the initial recommendation, nothing has moved and the group request DLUHC to provide a definitive timescale by when a change can be expected.

Action

- At the meeting to be held on 9 June 2023, DLUHC to provide a definitive timescale setting out by when the five year limit for the payment of a 2014 refund will be removed.

9. SPPA update

None provided by 22 February 2023. Kimberley Linge confirmed during the meeting that SPPA would be issuing [a consultation on the annual revaluation date change](#). This was published on 14 March 2023 and closed on 27 March 2023.

10. DfC update

None provided by 22 February 2023.

11. LGPS England & Wales Scheme Advisory Board update

Jeremy Hughes provided an update (item 5 of the meeting documents), on behalf of the LGPS England & Wales Scheme Advisory Board (SAB).

Jeremy confirmed that the SAB are reviewing the statutory guidance that CIPFA used to produce. The SAB and CIPFA have agreed that this guidance will be jointly badged by both parties. Jeremy believes there is a formal role for the National LGPS Technical Group to take part in contributing to the drafting of this guidance. This is to make sure the guidance maintains an order of independence.

Action

- Jeremy to liaise with the Chair and Jayne Wiberg to agree a process for the group to have input in the drafting of the former CIPFA statutory guidance.

12. Pensions Dashboards (standing agenda item)

Quarterly feedback from Pension Officer Groups

None for this quarter. The next survey will be sent to pensions managers week commencing 24 April 2023 closing on 24 May 2023. The survey will be refreshed to reflect the latest published information and guidance covering pensions dashboards.

Quarterly feedback from software suppliers

Responses (item 6 of the meeting documents) were received from the following software providers detailing where they are in their development and support of the pensions dashboards.

- Heywood Pension Technologies
- Civica
- Equiniti
- Capita Experience Pension Solution

Following the updates by the software suppliers Jayne Wiberg confirmed:

- the PASA guidance on value data should be published around the end of March 2023
- the LGA connection guide has been delayed due to conflicting priorities (see [group discussion in item 13](#) for more information) – once published Jayne can synchronise the dashboard survey with the contents of the connection guide.

13. McCloud remedy (standing agenda item)

Quarterly feedback

Jayne Wiberg emailed administering authorities with a McCloud survey on 31 January 2023.

Unfortunately, due to a glitch in the email system it appears that the email was not sent from the LGA server, even though it is showing as having done so. Consequently there are no survey responses for the March quarter.

The next survey will be sent to pensions managers week commencing 24 April 2023 closing on 24 May 2023.

Group discussion

Lorraine Bennet confirmed Rachel Abbey is currently working with DLUHC to help deliver the McCloud remedy, which is limiting LGAs resources.

Regarding McCloud, Lorraine understands that:

- the response to the underpin consultation will be published in March 2023
- there will be a further consultation in May 2023 with draft regulations
- final regulations will be published in September 2023 with an effective date of 1 October 2023.

A group member asked by when administering authorities must have their pension records rectified? Lorraine Bennett confirmed there is no timeline, other than McCloud will need to be reflected in the 2024/25 annual benefit statements. Lorraine confirmed that DLUHC are considering producing statutory guidance to help administering authorities implement McCloud. Prioritisation and timelines could be included in that guidance, though this is not confirmed. It was acknowledged pressure might come from members which naturally speeds up the rectification timescales because members have a right to payment of correct benefits.

Lorraine confirmed:

- there will be central communications published on McCloud. DLUHC will publish a member fact sheet which will try and manage members expectations with regards to rectification timescales
- DLUHC will restart the implementation working group and software providers will be invited to attend.

14. QROPS transfer in (standing agenda item)

See item 8 of meeting documents for full background.

The LGPS regulations prescribe that a transfer in can only be accepted from a registered pension scheme or a European pensions institution. When defining a European pensions institution we need to look at the Pensions Act (PA) 2004. The wording in section 293(8) of the PA 2004 that previously referred to an EU directive, have been removed post UK withdrawal from the EU on 31 December 2020. This means that until / if the LGPS regulations are updated, overseas transfers cannot be accepted. The matter was raised with DLUHC following the National LGPS Technical Group meeting on 17 June 2022.

Update from DLUHC

Alan Wareham confirmed that this issue is included with the wider EU law issue. This covers areas of the scheme that have been impacted due to the UKs withdrawal from the EU. Alan has a meeting on the afternoon of 10 March 2023 covering this matter. Alan confirmed he would contact the group with an update before the next meeting on 9 June 2023.

Action

- Alan Wareham to supply the group with an update of the latest position concerning overseas transfer in, following on from his meeting on the afternoon of 10 March 2023, before the next meeting on 9 June 2023.

15. Prudential AVCs (Standing agenda item)

The National LGPS Technical subgroup held a meeting with Prudential on 8 February 2023 to discuss the service.

Summary of meeting discussions

Ian Howe outlined the minutes of the meeting held by the sub-group on 8 February 2023:

- matters arising from the previous meeting
- customer service
- communications
- pensions dashboards

Group discussion

The group discussed the content of the minutes.

Action

Group members to inform POGs and in turn administering authorities to:

- email any complaints / queries directly with their allocated client management consultant, and
- send an email to Ian Howe [Ian.Howe@leics.gov.uk] confirming that an email has been sent to Prudential with brief details of the complaint / query – this will then be discussed at the following meeting of the sub-group with Prudential.

16. AVC Wise

At the meeting of 9 December 2022, the group agreed that the National LGPS Technical Group was not the appropriate route for AVC Wise to talk to administering authorities, rather it should be by invite at POG meetings. Before any discussions took place at the POGs, the group were keen to obtain further information. Due to commercial sensitivity this document cannot be published with these minutes.

Group discussion

The group discussed the report by AVC Wise. The report was met with mixed responses.

Positively – the group were pleased that AVC Wise want to deliver a good service.

Concerns were covering:

- promoting a single company and consequently appearing to endorse a single company – the group were largely not keen to become involved
- contractual lines becoming blurred – the administering authority engages with the AVC supplier not AVC Wise
- drawing the distinction that this is an employer function
- knowledge – how can AVC Wise advise without full access to a member's pension benefits also how much knowledge of the scheme do they actually have
- marketing approach

Lorraine Bennett and Jayne Wiberg explained that AVC Wise want to engage with administering authorities. If administering authorities have concerns then surely it would better to engage with them so their concerns are addressed.

Group agreement

- the group agreed to refer the AVC Wise report to regional POGs. Thereafter, it is for regional POGS to decide if they wish to engage further
- the group also agreed that if this situation arises again, the group will share any organisations report with POGs.

17. Transfers out (Standing agenda item)

Transfer out process

As part of discussions with a third party company, an administrative issue arose. The company confirmed that where a member:

- holds more than one deferred benefit in the LGPS, or
- might be active in another Fund, or
- in receipt of pension benefits.

quite often this information is not discovered until the member has progressed part way through the transfer out process. This causes problems for both the member and the company to whom the member is looking to transfer.

The paper in item 10 of the meeting documents sets out this out in more detail.

In order to recommend a consistent approach for administering authorities to follow, the sent out a list of questions for POGs to feedback on. The questions and answers can be found in item 11 of the meeting documents.

Group discussion

The group discussed the feedback from the POGs which was largely supportive of the proposals with a few minor concerns.

Group agreement

- the group agreed that Jayne Wiberg would draft the transfer out process where the member holds more than one deferred benefit. This will be discussed by the group at the meeting of 9 June 2023.

18. National AVC framework

At the meeting of 9 December 2022, Ian Howe provided a paper (item 12 of the meeting documents) for consideration, regarding the creation of an AVC framework.

The group had a detailed discussion about whether there is enough appetite to warrant a national framework for AVC providers and agreed that members should seek support from POGs to develop a national framework for AVC providers. If this is the case, find out if any administering authority would like to volunteer as a founder member. The feedback can be found in item 13 of the meeting documents.

Group discussion

The group discussed the feedback and acknowledged that a couple more employers were needed for the sub Lot covering SCAVCs.

Group agreement

- the group agreed to recommend proceeding with an AVC framework – they understand that the [National LGPS Frameworks](#) are already building the AVC framework that is intended to be in place by end of 2023.

19. PensionPal

PensionPal is a governance tool developed around seven years ago for private sector trustee boards. Good Governance tools are in great demand in private sector due to the focus placed on this area by the Pensions Regulator and the requirement for pension boards to be able to demonstrate they have done auditable 'Own Risk Assessment'.

The business owner of Pension Pal believes the tool might be useful to LGPS administering authorities facing similar challenges. One of the features of the system is that it manages and documents decision making. This could be useful for any area

where a decision needs to be made and the reasons for making that decision need to be recorded such as McCloud, pensions dashboards, employer and administering authority discretions.

Group discussion

The group discussed the proposition.

Group agreement

- the group agreed that this is not an area they wish to pursue - Kevin Gerard to respond to the contact accordingly.

20. LGA technical queries (standing agenda item)

All [LGA technical queries](#) with DLUHC can be found on the 'technical group minutes' page of www.lgpsregs.org. The latest version is dated 21 March 2023.

All [LGA technical queries](#) with SPPA can be found on the 'technical group minutes' page of www.scotlgpsregs.org. The latest version is dated 4 May 2022.

To note.

21. LGA GAD queries (standing agenda item)

All LGA GAD queries for England & Wales can be found on the Actuarial guidance page of www.lgpsregs.org. The latest version is dated 6 April 2022.

All LGA GAD queries for Scotland can be found on the Actuarial guidance page of www.scotlgpsregs.org. The latest version is dated 6 April 2022.

To note.

22. Historical decisions (standing agenda item)

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.

To note.

23. Recommendations - SAB England and Wales (standing agenda item)

[Recommendations](#) made to the SAB England and Wales from April 2014 to date can be found on the 'technical group minutes' page of www.lgpsregs.org and www.scotlgps.org.

To note.

24. Group membership (standing agenda item)

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

- Claire Lewis-Smith - Southern Area Pension Officer Group is standing down from the group. Claire will be replaced by David Kellond. The group thanked Claire for her contribution over the last 15 years and wished her well for the future
- Dave Friend is replacing Heidi Twort as the nominated representative for Equiniti.

2022 attendance

Item 14 of the meeting documents contains a list of the individuals 2022 attendance, who are nominated to be a member of the National LGPS Technical group. Each member has been allocated a percentage attendance.

Group discussion

The group discussed whether the nominated individuals are the right people to attend the group in terms of continuity from one meeting to the next, ie if a different person regularly substitutes the nominated individual, is the nominated person the most appropriate.

Action

- group members to consider whether they are the most appropriate person to be the nominated individual to attend the National LGPS Technical Group.

25. Any other business

To be handed to the Chair before the meeting.

- the group commented that the lifetime allowance and the annual allowance might change in the budget – [Spring Budget 2023](#).
- the group discussed the annual revaluation date change effective on 31 March 2023, software suppliers confirmed the following:

- Heywood and Equiniti– updating annual allowance routine around May/June 2023
 - Civica – updating annual allowance routine by 31 March 2023
 - Capita – still having internal discussions.
- Jeremy Hughes asked for administering authorities to let him know if they have any IDRPs cases concerning Sharia compliance.

26. Dates of next meetings

Where the meeting is hybrid, the chair strongly encourages all members to attend in person.

9 June 2023 – Entirely in person

- 11.00 till 15.00 (coffee from 10.30)
- Mercer - 1 Tower Place West, London EC3R5BU

New agenda items, updates for existing agenda items and updates from Government Departments for meeting of 9 June 2023 to be supplied to jayne.wiberg@local.gov.uk LGA by no later than 12 noon on 24 May 2023 using the [blank template for 2023 agenda items](#).

29 September 2023 – Hybrid

- 11.00 till 15.00 (coffee from 10.30)
- Hymans - One London Wall London EC2Y 5EA

New agenda items, updates for existing agenda items and updates from Government Departments for meeting of 29 September 2023 to be supplied to jayne.wiberg@local.gov.uk LGA by no later than 12 noon on 15 September 2023 using the [blank template for 2023 agenda items](#).

8 December 2023 – Entirely in person

- 11.00 till 15.00 (coffee from 10.30)
- AON - The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN

New agenda items, updates for existing agenda items and updates from Government Departments for meeting of 8 December 2023 to be supplied to jayne.wiberg@local.gov.uk LGA by no later than 12 noon on 23 November 2023 using the [blank template for 2023 agenda items](#).