

National LGPS Technical Group meeting documents

For meeting held on 8 March 2024

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1) Meeting agenda item 5: Technical Group Minutes of 8 December 2023

1. Meeting documents

The documents for this meeting are contained in [a single PDF](#) with the exception of:

- 'conga audit trail' – sent to standing members on 3 November 2023.

No further hyperlinks to any documents are contained elsewhere in the agenda.

2. Date and time of meeting

The meeting started at 11.00am and finished at 2.00pm on the 8 December 2023.

3. Venue

The meeting was held entirely in person at AON - The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN.

4. Attendees and apologies for absence

Attendees

- Kevin Gerard (Chairman) - Welsh Pension Officer Group
- Joanne Griffiths - Welsh Pension Officer Group
- Ian Howe (Deputy Chairman) - East Midlands Pension Officer Group
- Phil Drury - East Midlands Pension Officer Group
- Heather Chambers – Northeast Pension Officer Forum
- Emma Sanders - Southwest Area Pension Officer Group
- David Kellond- Southern Area Pension Officer Group
- Sandy Armstrong - Southern Area Pension Officer Group
- Matt Mott - Southeast Counties Superannuation Officer Group
- Joel Ellner - Southeast Counties Superannuation Officer Group
- Richard Smythe - London Pension Officer Group
- Martin Doyle - London Pension Officer Group
- Vicky Jenks - Shrewsbury Pension Officer Group
- Helen Tomkins – Shrewsbury Pension Officer Group
- Erin Savage - Scottish Pensions Liaison Group
- Zena Kee - Northern Ireland Local Government Officers' Superannuation Committee
- Alan Wareham – Department for Levelling Up, Housing and Communities

Prepared by Jayne Wiberg – National LGPS Technical Group Secretariat

- Jayne Wiberg - Local Government Association
- Lorraine Bennett - Local Government Association
- Joanne Donnelly – Local Government Association
- Steven Moseley (Scotland) – Local Government Association
- Claire Hey – Heywood Pension Technologies
- Lissa Evans - Civica
- Dave Friend – Equiniti
- Gavin Paul - Barnett Waddingham
- Ian Colvin Actuarial - Hymans Robertson
- Justine Davies - Price Waterhouse Coopers
- Catherine Pearce - Aon
- Jonathan Perera – Mercer
- Kelly Scotford – Secretariat.

Additions

- Angela Bell – The Pensions Regulator
- Joe Stacey – Money and Pensions Service

Apologies for absence – with replacements

- Louise Savage - Southeast Counties Superannuation Officer Group replaced by Matt Mott
- Melanie Durrant - Barnett Waddingham replaced by Gavin Paul.

Apologies for absence – no replacements

- Karen Gibson - Southwest Area Pension Officer Group
- Kimberly Linge - Scottish Public Pension Agency
- William Dobbin - Department for Communities (Northern Ireland)
- Martin Slaughter - Capita Experience Pension Solutions
- Jeremy Hughes – Scheme Advisory Board England & Wales.

5. Minutes of the last meeting

Item 1 in the meeting documents – highlighted in grey for ease of reading within the meeting documents.

To be agreed

The minutes were agreed without amendment.

6. Matters arising from previous minutes

To be determined

None were raised.

7. Local Government Association (LGA)

Jayne Wiberg took questions on bulletins 242, 243, 244, published since the last meeting. All bulletins can be found in the Bulletin pages of www.lgpsregs.org and www.scotlgpsregs.org.

The Chair thanked the LGA for the resources they had produced / provided to help administering authorities implement the McCloud remedy.

8. DLUHC update (standing agenda item)

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

In addition to the update Alan confirmed:

- DLUHC are closer to a decision on Oasis though there is no confirmed outcome as yet.
- The changes proposed to survivor benefits and forfeiture had been put to the previous Minister - Lee Rowley. These now need to be put to the new Minister – Simon Hoare. A consultation is expected in the middle of 2024.
- Fair deal is now on DLUHC radar following on from the consultation 2019 and the interruption caused by the McCloud judgement. This will be brought back into DLUHCs main workstreams.
- There will be a meeting week commencing 11 December 2023 to discuss the outstanding technical queries raised by the group – see agenda item 9. In the next couple of weeks DLUHC will be able to give us more of an idea of what they intend to take forward.

Questions from the group

The group raised the following questions:

- How will the future implementation of exit pay differ from the previous iteration?
Alan confirmed the considerations are the same and DLUHC committed to ending excessive payments on redundancies.

- The Chair requested a timescale of when the technical changes approved by DLUHC to proceed will be made to the Scheme – Alan agreed to provide an update for the March 2024 meeting.

Action

- Alan Wareham to provide a timescale of when the technical changes approved by DLUHC to proceed will be made to the Scheme by 12 noon on 21 February 2024 for inclusion in the meeting documents of the March 2024 meeting.

9. DLUHC update on recommendations and queries raised by the group (standing agenda item)

Updates from DLUHC are required on the following recommendations and queries raised by the group – item 3 in the meeting documents:

Removing the five year limit on the payment of 2014 refunds

Update from DLUHC on 8 December 2023

DLUHC will meet week commencing 11 December 2023 to discuss the outstanding technical queries raised by the group. In the next couple of weeks DLUHC will be able to give us more of an idea of what they intend to take forward. Alan Wareham will provide a timescale of when the technical changes approved by DLUHC to proceed, will be made to the Scheme for inclusion in the meeting documents of the March 2024 meeting.

Forfeiture policy change

Update from DLUHC on 8 December 2023

Contained in meeting documents and on the day, Alan confirmed the changes proposed to survivor benefits and forfeiture had been put to the previous Minister - Lee Rowley. These now need to be put to the new Minister – Simon Hoare. A consultation is expected in the middle of 2024.

Aggregation and concurrency

Update from DLUHC on 8 December 2023

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Prepared by Jayne Wiberg – National LGPS Technical Group Secretariat

proceed, will be made to the Scheme for inclusion in the meeting documents of the March 2024 meeting.

AVCs used to purchase additional pension

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QROPS transfer in

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10. SPPA update (standing agenda item)

Kimberley Linge provided an update - item 4 in the meeting documents, on behalf of the Scottish Public Pensions Agency (SPPA).

Action

- Kim was not present at the meeting so the Chair asked if the group could email any queries they might have on the update to Jayne Wiberg, who will collate and forward onto Kim.

11. DfC update (standing agenda item)

William Dobbin did not provide an update on behalf of the Department for Communities (DfC).

12. LGPS England & Wales SAB update (standing agenda item)

Jo Donnelly provided an update – item 6 in the meeting documents, on behalf of the Scheme Advisory Board (SAB) in England & Wales.

Questions from the group

The group raised the following questions:

- What is the outcome of the independent Sharia review? Jo confirmed that a Muslim Scholar determined the Scheme is compliant with Islamic beliefs because pension contributions are treated as deferred pay. The SAB will publish the review together with a summary on their website before Christmas. This outcome should support employers if they do not wish to provide an alternative pension scheme to those employees who opted out because they believe the Scheme is non-complaint.
- Jo confirmed that the SAB are struggling to obtain data on opt outs. They have raised two freedom of information with TPR for this information and TPR have refused to supply it. The SAB are considering issuing a workforce survey to Scheme employers.
- Jo raised the Judicial review on cost control. This concerned the unions challenge of including the cost of the McCloud remedy in the 2015 Scheme costs. Initially the courts dismissed the challenge, but the unions were successful in obtaining right to appeal. The appeal date is February 2024.
- The group noted that GAD had confirmed the data supplied by administering authorities had improved. A question was raised asking if this was actually the case, or is it more the fact that GADs understanding of the data had improved? Jo confirmed the data supplied by administering authorities had improved.
- Following on from the November 2023 budget, are Scheme employers impacted by the new proposal of a 'Pot for life'? Jo confirmed as far as she is aware this proposal does not affect public sector schemes, though she would keep an eye on the legislation to make sure this remains the case.

13. Pensions Dashboards (standing agenda item)

Presentation by TPR and MaPS

Angela Bell from the Pensions Regulator (TPR) and Joe Stacey from the Money and Pensions Service (MaPS) will deliver a presentation on dashboards to the group.

Group discussion

- Joe confirmed the final version of the data standards will be published alongside the staging guidance, due to be published in the spring of 2024.
- A question was raised covering the legislative position on AVCs and the illustration date? Joe confirmed he does not expect any changes to the regulations regarding the illustration date and AVCs.
- Angela confirmed TPR will nudge administering authorities around 15 months before the proposed staging date of September 2025 – so around June 2023. The nudge will ask for two contacts from each administering authority who will be looking after dashboards.
- Angela reiterated that data is key and this is the main area of work.
- Angela confirmed that TPR will republish their enforcement policy once the staging guidance is published – spring 2024.

Administering authority survey results

A survey was sent to administering authorities on 20 October 2023 with a closing date of 12 noon on 23 November 2023. The survey was revised to take account of the programme reset – see item 7 in the meeting documents for the results and numbers of responders.

Group discussion

Jayne Wiberg talked through the survey results with the group and a general discussion followed.

Action

- Jayne Wiberg to issue next survey with results in time for the June 2024 meeting.

Quarterly feedback from software suppliers

Updates - item 8 in the meeting documents, are provided from the following software providers detailing where they are in their development and support of the pensions dashboards.

- Heywoods – received on 21 November 2023
- Civica – received on 29 November 2023 after submission deadline
- Equiniti – no update received
- Capita – no update received.

AVCs and dashboards sub-group

The sub-group held its first meeting on 5 December 2023. Ian Howe – chair, provided a verbal update from the meeting. A general discussion followed.

AVC membership numbers

At the last meeting it was agreed that group members would contact each administering authority in their POGs to obtain the necessary AVC numbers.

On 6 October 2023, Jayne Wiberg emailed group members with a spreadsheet for administering authorities to complete. The outcome can be found in item 9 of the meeting documents.

Responses were received from 74 of the 98 administering authorities (AA) indicating across the LGPS in England, Wales, Scotland and Northern Ireland authorities hold approximately 70,500 AVC accounts.

An initial comparison of the numbers supplied by AA when compared with the numbers supplied by Prudential and Clerical Medical (these were the only two AVC suppliers to provide membership numbers) indicate there are inconsistencies as set out in the tables below.

	Prudential	AA	Difference – but we are missing 24 AA returns
Active	45,302	45,381	AA hold 79 more cases
Deferred	24,551	11,548	AA hold 13,003 less cases

	Clerical Medical	AA	Difference – but we are missing 24 AA returns
Active	1,191	1,076	AA hold 115 less cases
Deferred	526	342	AA hold 184 less cases

Group discussion

It was observed that there was a significant disparity between the Prudential numbers and the administering authority numbers. Meaning that administering authorities will need to reconcile their AVC members with each AVC provider.

14. McCloud remedy (standing agenda item)

Administering authority survey results

A survey was sent to administering authorities on 20 October 2023 with a closing date of 12 noon on 23 November 2023. The survey is revised to take account of the publications issued by DLUHC and the LGA – see item 10 in the meeting documents for the results and numbers of responders.

Group discussion

Jayne Wiberg talked through the survey results with the group and a general discussion followed.

Action

- Jayne Wiberg to issue next survey with results in time for the June 2024 meeting.

Update from the LGA

Lorraine Bennett to provided an update with regards to the latest position on regulations, guidance, resources and implementation.

Group discussion

- Kelly Scotford confirmed Greenwich administering authority had received communication from teachers pensions regarding teachers excess service. The communication indicated they are going to write to employers to ask them to find out which employees are in scope and for the employers to information administering authorities.
- Following on from the previous point a member asked if such employers will be informed enough to make the correct judgement – Lorraine confirmed that hopefully this will be the case.
- A member asked who is responsible for communicating with the affected teachers – Lorraine confirmed this will be a joint responsibility between the Local Government Pension Scheme and the Teachers Pension Scheme.

- A member asked about what will happen to the overpaid contributions because teachers pay more employee contributions than members of the LGPS – Lorraine confirmed this will be taken into account at some point down the line.
- A member asked why this situation had arose – Lorraine confirmed this was because of the teachers regulations that did not allow more than a whole time employment in the teachers pension scheme.

15. Prudential AVCs (Standing agenda item)

The National LGPS sub-group met with Prudential on 18 October 2023. The next meeting will take place in May 2024. Ian Howe – chair, provided an update from that meeting. A general discussion took place.

16. Transfer out process

At the meeting of 10 March 2023 the group agreed that Jayne Wiberg would draft the transfer out process where the member holds more than one deferred benefit. Jayne distributed the draft process to standing members of the group on 25 April 2023 who provided comments.

Update from Jayne Wiberg

The new process and deferred member transfer pack is still waiting for its final check. The delay has been caused because the team are working on the McCloud remedy resources.

17. Transfer out - Conga audit trail

On 3 November 2023, Jayne Wiberg emailed standing members with an example 'Conga audit trail' for use in the completion of transfer out declaration forms by a private sector transfer company. Member were asked to supply comments agreeing or disagreeing with its use for discussion at this meeting. Comments can be found in item 11 of the meeting documents.

Group discussion

A general discussion took place.

Group agreement

- The group agreed to go back to their POGs and request each administering authority raise specific queries that can be put to Pensions Bee addressing any concerns that, in their view, prevents the use of the conga audit trail.

Action

- Each POG representatives to go back to their POGs and request each administering authority raise specific queries that can be put to Pensions Bee addressing any concerns that, in their view, prevents the use of the conga audit trail. Questions are to be sent to Jayne Wiberg by 31 January 2024.

18. 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.

19. 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.

20. 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.

21. 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.

See update from DLUHC [agenda item 9](#) for further information.

To note.

22. 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.

- Debbie Sharp - Shrewsbury Pension Officer Group, has left the group due to a change in employment. Debbie will be replaced by Helen Tomkins
- Kerrie Shields – Civica, has left the group and is replaced by Lissa Evans

The Chair thanked Debbie Sharp for her contribution to the group over the years.

23. Any other business (standing agenda item)

None were raised.

2) Meeting agenda item 8: DLUHC update

Provided by Alan Wareham on 8 March 2024.

LGPS investments/Climate

Since the consultation on investments closed on 2 October and we published the government response, we have been working to implement the next steps of this workstream; with a focus on updates to the annual report guidance and data reporting. We are aiming to consult on changes to regulations on investments in the summer.

Local Audit Delays/Account Separation

We have continued to work with colleagues in local government audit and finance, updating them on audit issues related to the LGPS, and keeping track of the broad reforms to address delays in local audit.

We also contributed toward the Government Response to the LUHC Committee's 24 November 2023 Report on Financial Reporting and Audit in Local Authorities, which committed to a review including separation of accounts.

McCloud

We have started a consultation on McCloud statutory guidance. This is a limited technical consultation via email and includes all administrators who are on the guidance working group, who will be asked to share the guidance with their POGs and send back a single response per POG. Final guidance is due to be published in spring.

A consultation on minor regulation changes is also expected to start in the spring.

Survivor Benefits and Forfeiture

We are currently developing a consultation for survivor benefit reforms (application of the Goodwin case and removal of nomination requirement), with the associated checks and processes to follow before publishing the consultation. This consultation will also feature proposed reforms to the rules on forfeiture within the LGPS.

Good Governance/Guidance

Work has continued internally and with the Compliance and Reporting Committee to develop changes to regulations and guidance, namely annual report guidance and governance guidance but also an update to FSS guidance, with some consideration given to new admin strategy statement guidance.

We are pleased to say that, subject to final approval, the annual report guidance was approved by the CRC, and the CIPFA PFMB board. This will be published soon and will apply for reporting on 2023-24, with several workshops/engagements planned on this in the coming months.

We are aiming to consult on changes to governance guidance and regulations alongside investments in the summer, with any changes to be implemented in the autumn.

3) Meeting agenda item 9: Recommendations and queries raised by the group with DLUHC

Full details of all the [recommendations](#) can be found on Technical Group page of www.lgpsregs.org.

Removing the five year limit on the payment of 2014 refunds

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 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 three years since the initial recommendation, nothing has moved and at the meeting of 10 March 2023 the group request DLUHC provide a definitive timescale by when a change can be expected.

On 9 June 2023 DLUHC confirmed they are currently looking into this matter from a policy perspective and are considering a timeline for any potential change, subject to the priority of other work and Ministerial approval. In order to determine how many members are materially affected by the changes requested to refunds, DLUHC request administering authorities to provide the following information:

- number of 2014 refunds that where the member left active membership of the scheme before 1 June 2019 – the reason for look at cases that are more than 4 years old is to account for the time it might take to amend the regulations

On 29 September 2023, Alan confirmed DLUHC are deciding whether to take this request for change forward and thank everyone who provided data and comments as requested at the last technical group meeting. DLUHC received data from 35 administering authorities indicating in aggregate they hold around 60,000 deferred

refunds. If this data is an indication of the average held across the scheme, this would mean that there are around 150,000 deferred refunds. If the change is approved it will be included in the amending statutory instrument covering survivor benefits.

On 8 December 2023, Alan confirmed they are currently looking into this item (as one of the items on the SAB technical query list) and thank everyone who provided data and comments as requested at the last technical group meeting.

Forfeiture policy change

On 26 November 2018, the National LGPS Technical Group recommended to the Scheme Advisory Board (SAB) in England & Wales to change the policy behind the forfeiture regulations. Currently, the wording does not address historical events coming to light, which are now more frequent in today's society. On 27 September 2019 SAB wrote to the Parliamentary Under Secretary of State (Luke Hall MP) recommending 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 three 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.

On 9 September 2023 DLUHC confirmed they are currently developing a consultation document for survivor benefit reforms (application of the Goodwin case and removal of nomination requirement), with the associated checks and processes to follow before publishing the consultation. This consultation will also feature proposed reforms to the rules on forfeiture within the LGPS, which we plan to launch later this year:

- to extend the time limit from three to six months for a scheme employer to submit a forfeiture application, with the timer to begin at sentencing rather than conviction
- to remove the requirement that to be eligible for forfeiture the convicted person must have left their employment because of the offence they committed
- remove regulation 92 (interim payments directions) to due incorrect drafting.

On 29 September 2023, Alan confirmed they are currently developing a consultation for survivor benefit reforms (application of the Goodwin case and removal of nomination requirement), with the associated checks and processes to follow before publishing the consultation. This consultation will also feature proposed reforms to the rules on forfeiture within the LGPS.

On 8 December 2023, Alan confirmed they are currently developing a consultation for survivor benefit reforms (application of the Goodwin case and removal of nomination requirement), with the associated checks and processes to follow before publishing the consultation. This consultation will also feature proposed reforms to the rules on forfeiture within the LGPS. Discussion with HMT and GAD on implementation.

Aggregation and concurrency

On 12 March 2019, the National LGPS Technical Group recommended to the Scheme Advisory Board (SAB) in England & Wales, to change the regulations concerning aggregation and concurrency to reflect the position prior to 1 April 2014 (i.e. upon leaving active membership in a concurrent employment, and upon aggregation with the continuing employment, administrators are required to apply an adjustment to the pre 1-April 2014 final salary membership).

On 27 September 2019 SAB wrote to the Parliamentary Under Secretary of State (Luke Hall MP) recommending 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 three 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.

On 29 September 2023, Alan confirmed when DLUHC have available resources this matter will be looked at.

On 8 March 2024, the group agreed this recommendation should be removed from the 'to do' list because administrators are applying the current regulations.

AVCs used to purchase additional pension

On 13 December 2019, the National LGPS Technical Group recommended to the Scheme Advisory Board (SAB) in England & Wales, to change the policy behind the regulations that restrict a deferred member who left the Scheme before 1 April 2014, from using their AVC pot to purchase additional pension in the Scheme. Currently, only members who left the Scheme after 31 March 2014 are able to make use of this provision. On 16 December 2019 the SAB Secretariat proposed the change to MHCLG (now DLUHC).

Over three 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.

On 29 September 2023, Alan confirmed when DLUHC have available resources this matter will be looked at.

QROPS transfer in

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.

At the last meeting on 10 March 2023 DLUHC confirmed 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 confirmed he had a meeting on the afternoon of 10 March 2023 covering this matter and agreed to contact the group with an update before the next meeting on 9 June 2023.

On 9 June 2023 DLUHC confirmed they are working with HMT and DWP on work related to Retained EU Law (Revocation and Reform) Bill to establish a full and current position on QROPS transfers in but have not committed to making any changes to regulations. Following recent advice, we understand that the LGPS is not affected by the Retained EU Law (Revocation and Reform) Bill, however there are some changes that may be required in due course to correct references that no longer work now that we have left the EU. We are currently working with HMT and DWP on some of these potential changes, but we have not yet identified a timeframe for implementation. In order to determine how many members are materially affected by the changes requested to QROPS transfers in, DLUHC request administering authorities to provide the following information:

- number of QROPS transfers in that have been declined / placed on hold until the regulations are amended

On 29 September 2023, Alan confirmed DLUHC are deciding whether to take this request for change forward and thank everyone who provided data and comments as requested at the last technical group meeting. DLUHC received data indicating one administering authority has one case outstanding.

4) Meeting agenda item 10: SPPA update

Provided by Kimberley Linge on 19 February 2024.

Local Government Pension Scheme (Scotland) (Amendment) Regulations 2024

The Local Government Pension Scheme (Scotland) (Amendment) Regulations 2024 were signed by Ministers on the 6 February and laid in the Scottish Parliament on 8 February 2024. Under these amended Regulations, the revaluation date for pension benefits in the LGPS is moved to 6 April each year to align with the HMRC annual allowance assessment period. The regulations provide clarification of the requirement for an indicative cessation valuation to be “fixed for a period of 90 days” from a specified date. This change will allow the employer to exit the scheme knowing the extent of their liabilities to the fund.

Further questions on how these changes will be administered will be covered in guidance to be provided by the Scottish SAB. The regulations will apply retrospectively from 31 March 2023.

GAD Transfer Guidance

There are changes to the calculation and information to be exchanged when a member protected by the McCloud remedy transfers between Club Schemes. The Club memorandum was updated and GAD has reviewed their guidance to reflect these changes. Administering authorities (AA's) were notified in November of last year that transfers should be suspended until new guidance was provided.

The Occupational Pension Schemes (Transfer Values) Regulations 1996 set out the deadline to provide transfers. Ordinarily, AA's must calculate the CETV within a three-month period, beginning with the member's application. However, where AA's are unable to provide the CETV within this deadline 'for reasons beyond their control', the guarantee date can instead be 'within such longer period as they may reasonably require' (though not exceeding the end of the six-month period beginning with the member's application).

GAD have now completed their draft transfer guidance for Scottish Funds based on the guidance for E&W which was also reviewed by the Local Government Association. We expect to be in a position share this guidance shortly.

Exit Credits

Exit credit payments were introduced for the Scottish LGPS in 2018. Based on the wording of the legislation, an exiting employer has an automatic entitlement to be paid the exit credit by the administering authority (AA).

The results from the 2023 triennial valuations show that the funding position of LGPS funds has improved significantly and admission bodies who previously had significant deficits in June 2021, exited in the first half of 2023 with surpluses that required an exit credit to be paid.

As a result of representation from fund authorities, SPPA has begun work on legislative amendments and guidance to allow certain factors to be taken into account where an exit credit is due, when an employer leaves the fund, in line with regulations and guidance provided in E&W.

Updated Ill-health Guidance

The purpose of the Guide to Ill Health Retirement and Early Payment of Deferred Benefits is to provide guidance to employing & administering authorities around ill health retirement and the Internal Dispute Resolution Procedure (IDRP) and is of particular relevance to Line Managers, HR Staff and Appointed Persons reviewing appeals at Stage 1 of the IDRP.

As a result of comments from stakeholders, changes have been made to clarify the requirements for employers and administrators. The updated Ill-health guidance is with SPPA's comms team and will be sent out via a circular next week.

The Finance Act 2004 (Registered Pension Schemes and Annual Allowance Charge) Order 2024

HMRC released a technical consultation on 29 January 2024 on draft regulations to make changes to how pension input is calculated in a legacy public service pension scheme against the Annual Allowance.

This draft statutory instrument contains provisions for pensionable service in specified legacy (closed) and service in a reformed (open) public service pension scheme to be combined for the purposes of calculating an individual's pension input amount against their Annual Allowance.

This change will allow the offset of pension input in a legacy scheme against input in a reformed scheme where they relate to the same employment. This will be of

interest to scheme administrators of public service pension schemes and individuals who are in both a legacy and reformed public service pension scheme.

This consultation closes on 26 February 2024.

Contact: Kimberly.linge@gov.scot or Craig.finlay@gov.scot

5) Meeting agenda item 12: SAB England & Wales update

Provided by Becky Clough on 22 February 2024.

Cost Control Mechanism

The Board is expecting the Government Actuary's Department to publish the final outcome of the HM Treasury 2020 valuation of LGPS E&W in the coming weeks. We do not expect the outcome to require any changes to scheme benefits. Having agreed the assumptions at its previous meeting, the Board will agree the final results of its own Scheme Cost Assessment process, set out in revised Regulation 116 of the 2013 Regulations and which runs in parallel with the HMT process, when it meets on 11 March 2024.

Annual Report Guidance

As previously reported to Technical Group, a workstream was established to review the 2019 guidance and identify changes required to streamline the current guidance and bring it up to date. With many thanks to those who participated in the working group, this group and for those who provided individual fund feedback, the work is now complete. A revised draft of the guidance has been approved by the Board's Compliance and Reporting Committee (CRC) and the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Public Finance Management Board in February.

The guidance is now to be submitted for Ministerial approval to be in place from April 2024. It is intended to apply to 2023/24 Annual Reports (so for those reports due to be published by 1 December 2024) and later years. However, it is acknowledged that it may be a challenge for funds to report on all the new requirements for the 2023/24 reporting year, as changes to the recording and reporting of data may take time to implement. The guidance therefore says that pension funds should use their best endeavours to comply fully with the requirements but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost.

Feedback on the administration section of the new guidance is welcome and was recently discussed at the Board's Cost Management, Benefit Design and Administration Committee (CMBDA), of which Kev Gerard is a member. It was agreed at CMBDA that any feedback on the administration section of the new guidance would be fed into that Committee and discussed at future meetings.

Funding Strategy Statement (FSS) Guidance

With the Annual Report guidance now close to completion, the CRC have agreed that the next priority will be revised FSS guidance. This was last updated in 2016, and the aim is to have developed content in relation to:

- setting up of academies on conversion
- use of the “new” employer flexibilities and Deferred Debt Arrangements
- employer representations around asset strategies and “partial terminations”
- treatment of exit debts and credits
- consultation with employers.

Code of Transparency Compliance and Reporting System

In 2019 the SAB procured a bespoke online system, that is unique to the LGPS, for the following purposes

- allow SAB to monitor compliance with the submission of templates as per the Code of Transparency
- provide the SAB with some aggregated high-level data on LGPS costs
- create and securely maintain data provider and data client records
- provide a set of standard reports for data clients to view and download
- allow for the collection of a range of data templates from data providers
- check the format of the data template and reject any incorrectly formatted templates.

The current contract to deliver this system (which includes LGPS Scotland) comes to an end on 28 August 2024, although the Board has agreed to make use of an extension clause which allows for an extension of two years.

Last summer, the Board conducted a series of training and awareness sessions across the country (including in Scotland with the kind assistance of SSAB) and gathered feedback on usage of the system and potential improvements to the current system. That feedback has been useful in shaping recommendations to the Board and we are keen to maintain engagement with funds by convening a working group to examine emerging proposals in further detail.

The next step will be to undertake some early market engagement that will hopefully gain useful intelligence around likely costs and functionality of any replacement system with a view to informing decisions on next steps at the Board's meeting on 22 July 2024.

The Pensions Regulator's New General Code

The Board has welcomed the publication of The Pensions Regulator's (TPR) General Code of Practice which has been laid in Parliament and which is expected to come into force on 27th March 2024. The Code brings together 10 previous TPR Codes into one single Code, mainly covering governance and administration of pension schemes. The previous Codes will be revoked, including Code of Practice 14 for Public Sector Pension Schemes.

The Board Secretariat is studying the Code closely to identify any new requirements for funds. Not all of these will be binding on LGPS funds, but an initial review of the Code suggests that there is new guidance around:

- schemes establishing what knowledge and skills are required for the governing body (defined as the scheme manager for LGPS, i.e. the Pensions Committee for most funds, although there are also some explicit duties for Local Pension Boards)
- documenting of risk assessments and the clear identification of who discharges the risk management function
- the principles of remuneration policy need to be documented. There is already a separate statutory duty to have a policy on elected member allowances, but this duty is new for Board members
- there are welcome suggestions to improve the representativeness of those sitting on governing bodies
- the role of internal audit and the need to get assurance reports from key service providers
- cyber and business continuity guidance have been embedded into the Code and are clearly a strong theme.

In terms of how the Board responds to the new Code, the Secretariat has already identified clear overlaps with existing work to implement the Good Governance recommendations as well as the CRC's Knowledge and Skills workstream. The Secretariat's working assumption is that we can weave compliance with the Code into our existing workplan as well as doing some public events to promote understanding of the Code.

Fund Surpluses Statement

The Board's review of 2022 fund valuations revealed that all funds improved their funding position and that the scheme in England and Wales as a whole was 107% funded. This has triggered considerable debate about:

- what this meant for asset strategies and risk appetite
- what this meant for contribution levels
- how different employer groups might be affected differently by those considerations.

The Board established a working group comprising fund, employer, actuary and member representatives to consider these issues. The outcome was a policy statement that was adopted by Board and published in December 2023 on the Board website. This workstream is now closed, although some of the issues are very pertinent to the review of the FSS guidance. The Board also held two webinars on the subject in December 2023 and February 2024.

Gender Pensions Gap (GPG)

The working group established by the Board continues to explore what practical actions can be taken to address the issues identified in the two data reports provided by GAD. The four actions being explored by the group are:

- investigate feasibility of changes to regulations to extend the deadline for scheme members to elect for SCAPCs
- plan specific communications needed for employers to raise awareness of the specific issues which impact the GPG within the LGPS regulations, particularly during scheme member life events
- work with LGA workforce team on increasing awareness of GPG and identify the policy solutions which could have a positive impact
- continue the discussions with DLUHC on the progress of New Fair Deal and impact of outsourcing on the GPG.

There are several follow-up tasks ongoing for each action. For example, a FAQ document to support funds and employers in ensuring that members can make well informed choices about their pensions throughout their working career during unpaid leave is being developed for action 2.

Action 3 has led to a webinar for local government HR professionals on 9 May 2024 being organised, alongside the LGA's workforce team. The aim of this will be to

improve awareness of this issue for HR practitioners and encourage them to review the information and pension communications provided for their staff at key life points.

The Board is also considering partnering with other organisations to further explore the data and research on this topic, particularly in relation to intersectionality with other protected characteristics (e.g. ethnicity, disability and working pattern). However, while funds and scheme employers hold a wealth of valuable and interesting data, there are significant funding and Data Protections issues to be overcome in progressing this work.

Sharia Compliance

The Board has now published the review of the LGPS by an Islamic finance and legal scholar according to Sharia principles on the Board's website. More information is available on the Board's website, however in summary the report examines the issue primarily from the starting point that a statutory defined benefit (DB) pension scheme, like the LGPS, is an extension of the employer/employee contract. The report concludes that as a part of the contractual arrangement between employer and employees, Muslim employees can continue to contribute to, and benefit from, the excellent benefits offered by the LGPS.

The Board has also obtained from Counsel an updated opinion informed by that analysis, a digest of which will be published in due course.

LGPS Fund Audit

The Board along with the Institute for Chartered Accountants in England and Wales (ICAEW) has jointly commissioned a briefing note to set out the timeline and information flow for triennial valuation and IAS19 purposes. The aims are:

- to aid mutual understanding, explaining some of the background and respective constraints
- signposting the different parties to where they should be requesting the information that they need
- to provide visual maps showing the flow of information between employers, actuaries, funds, custodians and auditors
- provide a model questionnaire with key questions for actuaries to complete each year and provide to scheme employer auditors.

The proposed audience would be auditors, fund practitioners and employers. A further Audit Roundtable has also be arranged in April which can agree communications around this information note, as well as consider any new issues

that might create problems when the audit round for 2023/24 accounts kicks off later this year.

6) Meeting agenda item 13: Dashboards updates software suppliers

Heywood Pension Technologies update

Provided by John Dale on 21 February 2024.

Sales/Implementation Update

- sales activity has increased over the last couple of months and we have won additional ISP business
- implementations on hold due to the DWP reset.

Customer/Industry Engagement Update

- we continue to provide dashboard overviews to customers and trustees
- our Heywood website has been rebranded and additional dashboard content has been added
- Heywood have joined PDP's Communications Group and the User Testing and Planning Group
- we're working with other members of the National LGPS Technical Group sub-group – AVCs and dashboards, to assist LGA with AVC guidance.

Data Readiness Update:

- a total of 68 free dashboard data readiness assessments have been completed, 11 full data cleanse and enrichment projects are in progress.

Development Update:

- ISP development increasing in the run up to April 2025.

Civica update

Provided by Lissa Evans on 13 February 2024

Civica have been working closely with MaPS and TPR to make sure they are on track with on-boarding to the dashboard ecosystem.

- currently planning a re-engagement programme where we will again start monthly sessions with clients to show progress and answer any queries

- the first meeting is due week commencing 4 March 2024 when we are hoping to be joined by Chris Curry from MaPS and a representative of the TPR.

Capita update

Provided by Martyn Slaughter on 20 February 2024.

Capita remain signed up to be an early participant with MAPS and continue to work with the PDP and DWP on their plans following the reset.

Capita have been involved in discussions around the reset with DWP / PDP and are part also of the PASA working group. However, we are under an NDA with PDP, so can't provide further detail at this stage.

Capita continue to invest in their PDP and, in line with the Pensions Regulators guidance, are supporting clients in the preparation for readiness to connect to the Pensions Dashboards.

Capita have undertaken a replan of their Pensions Dashboard internal programme and will continue to engage with each client, based on their original staging dates set out in the (now amended) regulations, and will refine plans when the new Staging dates are provided in guidance which is expected in within the first half of 2024.

By the time the LGPS is currently due to be onboarded Capita anticipate (subject to the reset) that they will already have connected and onboarded a considerable number of clients. This experience will result in a refined process.

Currently working on a client-by-client basis; to date, the LGPS is still in a discovery phase regarding exactly what 'value data' will be provided for all scenarios. However, there is a common solution in place for holding and retrieving the information that will be delivered to the Dashboard.

AVCs

Capita are in the process of liaising with AVC providers to understand their intended method of connection; our standard approach will be for AVC providers to return a regular feed of Value Data which we will include along with regular scheme benefits upon a view request.

Generic 'value data' that Capita is currently working towards providing:

- accrued value & projected value (active members, where ABS exists) – use latest ABS data on file.

- accrued value & projected value (active members, where ABS doesn't exist) – to be confirmed/developed
- accrued value (deferred members, where member is under NPA) – use latest ABS data on file (where an ABS hasn't been prepared, it's possible to obtain info from the deferred 'event' on the system)
- accrued value (deferred members, where member is over NPA, but has deferred benefits beyond NPA and is currently under 75) – use latest ABS data on file
- accrued value (deferred members, where member is over NPA, but has not deferred benefits beyond NPA OR is currently under 75) – undecided; PDP allows pension providers to not provide a value and instead provide 'warning flags' (though only in certain circumstances), such as:
 - action outstanding from member (i.e. member is beyond NPA and is now technically a pensioner, so will need to claim benefit) – for reference, we don't provide an ABS for similar members and, instead, send them a letter that relays a message very similar to this
 - estimate retirement income is unavailable (similar to above, but the reason for the 'flag' is not particular informative to the member).

Alternatively, we're developing a 'flag' that still provides a value, but it's the same value as that at the member's NPA:

- member is post NPA and needs to claim their benefits; therefore, the values shown are the same as those at NPA

Based on the PDP rules, our PDP team are unclear on whether such members are defined under the legislation as 'pensioners' but we can see that there is a strong argument that they are such a member; after all, if such a member died today, they'd be treated a deceased pensioner.