

LGPC Bulletin 214 – September 2021

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

Foreword

This bulletin contains important updates for administering authorities, scheme employers and software suppliers. It also provides a general update for all LGPS stakeholders.

This bulletin contains important articles on:

- [New ill health certificates](#) (Scotland)
- [Retirement Planning Guide](#) (Scotland)
- [Death grant distribution legal opinion](#)
- [GDPR documents updated](#)

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

SAB meeting on 27 September 2021

The Board met on 27 September 2021.

At that meeting, the Board approved the re-appointment of Councillor John Fuller (South Norfolk Council) for a second five-year term. A letter will now be sent to the Department for Levelling Up, Housing and Communities (DLUHC), formerly the Ministry of Housing, Communities and Local Government (MHCLG) seeking the Secretary of State’s formal approval.

You can access the papers for the meeting (including the minutes of the previous meetings held on 10 May 2021 and 1 July 2021) on the [Board meetings](#) page of www.lgpsboard.org.

You can also access the papers for the last meetings of the Cost Management, Benefit Design and Administration Committee (13 September 2021) and the Investment and Engagement Committee (20 September 2021) on the [Committee Meetings](#) page of www.lgpsboard.org.

LGPS England & Wales

MHCLG becomes DLUHC

On 19 September 2021, the Government announced that the Ministry of Housing, Communities and Local Government (MHCLG) will become the Department for Levelling Up, Housing and Communities (DLUHC).

For more information, see [the press release](#).

Also, in the last reshuffle, Luke Hall MP (Thornbury and Yate) left Government. Luke Hall was the minister responsible for the LGPS in England and Wales. The Government is yet to confirm which minister will take over this responsibility.

LGPS Scotland Scheme Advisory Board (SAB)

Minutes for May and August 2021 meetings published

The Board has recently published the minutes for the meetings held on 19 May 2021 and 18 August 2021.

At the meetings, the Board discussed:

- the structure review project
- cessation issues
- cost control.

You can access the minutes on [the minutes](#) page of [the Board's website](#).

Response to cost control consultation

The Board has recently [responded to HM Treasury's cost control consultation](#).

We covered the consultation in [Bulletin 211](#).

LGPS Scotland

New ill health certificates

We emailed administering authorities on 16 September 2021 to let them know that we have published new template ill health certificates.

We have published the certificates in Word so that administering authorities can easily adapt them to suit their needs.

The new certificates aim to:

- reflect recent regulatory changes
- reflect feedback from the ill health certificates survey we ran in April 2021
- incorporate the statutory guide from SPPA:
[‘A Guide to Ill health Retirement and Early Payment of Deferred Benefits’](#).

We thank Brian Rodden, Carole Thomson, Gemma McWhinnie, Jacob Machin and Yvonne Archibald for their help in reviewing the certificates.

You can access the certificates on the [Administrator guides and documents](http://www.scotlgpsregs.org) page of www.scotlgpsregs.org.

Action for administering authorities

Adapt the certificates for your needs and begin to use them. You will also need to update your employers.

Retirement planning guide

We emailed administering authorities on 23 September 2021 to let them know that we have published a new guide for members planning their retirement.

The purpose of the guide is to help members approaching retirement understand their options, the process and the timescales involved.

We anticipate that administering authorities will want to include information specific to their processes. Therefore, we have published the guide in Word and included red text where they can include this.

You can access the guide on the [Administrator guides and documents](http://www.scotlgpsregs.org) page of www.scotlgpsregs.org.

Action for administering authorities

Adapt the guide for your needs.

DWP

LGA responds to ‘nudge’ consultation

The LGA responded to the DWP’s consultation ‘Stronger nudge to pensions guidance’ on 2 September 2021.

Between 9 July and 3 September 2021, the DWP consulted on draft regulations requiring occupational pension schemes to ‘nudge’ members in certain situations towards obtaining guidance from Pensions Wise (see [Bulletin 212](#)).

The LGA’s response raised concerns about:

- the practicality of requiring schemes to book Pension Wise appointments on behalf of members
- whether the DWP considered members who hold different types of benefits under a pension scheme when drafting the regulations.

You can see the response as well as links to the consultation on the:

- [Non-scheme consultations](#) page of www.lgpsregs.org
 - [Non-scheme consultations](#) page of www.scotlgpsregs.org.
-

HM Treasury

Treasury responds to Committee's report on public service pensions

On 2 September 2021, [HM Treasury responded to the report on public service pensions](#) from the House of Commons Committee of Public Accounts.

The Committee published the report on 11 June 2021 and made six conclusions alongside recommendations for each one (see [Bulletin 211](#)).

HM Treasury agrees with five of the recommendations and sets out how it will take these forward. It has already announced most of the actions (such as consulting on the SCAPE discount rate methodology). Additionally, HM Treasury will:

- commission other government departments for analysis of the latest participation data for each public service scheme
- work with departments to standardise data collection on participation rates, including whether it could be broken down by member characteristics
- ask departments to update it on measures they are taking to improve participation among specific groups
- write to the Committee with an update in six months on the work to implement the McCloud judgment and to resolve the issues with the cost control mechanism
- write to the Committee by the end of 2021 with an assessment of how it is meeting the objectives of the 2014 / 15 pension reforms.

HM Treasury disagreed with the Committee's conclusion that Treasury has done little to identify and manage the stark differences in average pensions between genders and other groups. It argues that such differences are a function of past differences in earnings rather than in differences in pension provision itself.

TPR

Blog reminding employers not to neglect automatic enrolment duties

Mel Charles, Director of Automatic Enrolment at the Pensions Regulator (TPR), published [a blog on automatic enrolment duties](#) on 26 August 2021. Mel reminds employers that, despite the effects from the pandemic, they must not neglect these duties.

Update on governance and administration survey

TPR has confirmed to us that it intends to conduct the next public service pension scheme governance and administration survey towards the end of 2022.

The last survey was conducted online between January and March 2021, the results were published on 1 July 2021 (see [Bulletin 212](#)).

Other news and updates

CWG minutes

The Communications Working Group (CWG) met on 7 September 2021. You can find the minutes on the CWG pages of www.lgpsregs.org and www.scotlgpsregs.org. Topics discussed include:

- COVID-19
- annual benefit statements 2021 experience
- new member website (expected to launch by the end of 2021)
- digital engagement guide
- transfers and aggregation
- McCloud remedy
- work plan.

Death grant distribution legal opinion

Lorraine Bennett emailed administering authorities on 28 September 2021 letting them know that we have received a legal opinion from Eversheds Sutherland on what information administering authorities can disclose when paying a death grant.

The advice expands on the information we provided in [Bulletin 210](#) about what information must be provided. Although the advice only mentions the English and Welsh LGPS regulations, it applies equally to Scotland.

You can view the advice on the –

- [Legal opinions](#) page of www.lgpsregs.org
- [Legal opinions](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review the legal opinion and consider its impact on your processes and communications.

FRC publishes list of successful signatories to the UK Stewardship Code

The Financial Reporting Council (FRC) published [the list of successful signatories to the UK Stewardship Code](#) on 6 September 2021. The list includes some LGPS funds and investment pools.

The Code sets high standards of stewardship for those investing money on behalf of UK savers and pensioners.

GAD recommences some broad comparability work

In August 2021, The Government Actuary's Department (GAD) announced that it would recommence some broad comparability work on its [staff transfers: public service pension schemes](#) page on www.gov.uk, noting the following two important points:

“Initially GAD’s broad comparability assessments will only involve the assessment of Career Average Revalued (CARE) benefits for those members eligible for remedy. For transfers prior to 1 April 2022, there may be further adjustments needed to address McCloud remedy. If so, GAD will notify Contracting Authorities as soon as possible.

Contracting Authorities need to ensure that when staff move to their new pension scheme with effect from the transfer date, they do not suffer a reduction in take-home pay, for example due to differences in scheme member contribution rates.”

GAD previously suspended this work in August 2020 in response to the McCloud judgment.

GDPR documents updated

Lorraine Bennett emailed administering authorities on 20 September 2021 letting them know that we have uploaded new versions of the following GDPR documents:

- Template full privacy notice (v4)
- Template summary privacy notice (v3)
- Template data retention policy (funds) (v2)
- Template data retention policy (employers) (v2)
- Memorandum of understanding (v2).

The changes have been made by Squire Patton Boggs, who produced the original documents. The documents have been updated to reflect Brexit, the Schrems II

decision on transfers of data outside the European Economic Area and guidance on data sharing agreements issued by the Information Commissioner's Office.

You can access the documents (including clean and tracked versions) on the –

- [Administrator guides and documents](#) page of www.lgpsregs.org
- [Administrator guides and documents](#) page of www.scotlgpsregs.org.

Action for administering authorities

Review the changes to each document and update your local versions accordingly. In relation to the privacy notices (full and summary), Squire Patton Boggs mentions that the updates that have been made to the templates do not necessitate an immediate reissue and instead could be included in an annual update of the privacy notice. However, the direction of travel is towards greater transparency. You should consider how you will bring the most up to date version of the privacy notice to members' attention.

Though the documents were originally produced for administering authorities in England and Wales, administering authorities in Scotland are welcome to adapt the documents for their use.

Government committed to auto-enrolment reforms in “mid-2020s”

The Minister for Pensions and Financial Inclusion, Guy Opperman, confirmed in an [answer to a Parliamentary written question](#) that the Government is still committed to implementing the recommendations from the 2017 Automatic Enrolment review in the mid-2020s. Though, the Minister noted:

“The 2017 Review report was clear that implementation will be subject to learning from previous workplace pension contribution increases, discussions with employers and others on the right approach, and finding ways to make these changes affordable. We will do this in light of the impact of the pandemic and our overall support for economic recovery, while continuing to support long-term saving, balancing the needs of savers, employers and taxpayers.”

We covered the 2017 review in [Bulletin 165](#).

PDP appoints Capgemini to supply central digital architecture

The Pensions Dashboards Programme (PDP) announced on 6 September 2021 that they have appointed Capgemini to supply the central digital architecture for pensions dashboards. Capgemini, who will work in partnership with Origo, will

deliver the pensions finder service, consent and authorisation service and governance register.

The PDP ran a five-month procurement process, which started with an invitation to tender in April this year (we covered this in [Bulletin 209](#)).

To find out more, see the press release from the PDP.

Public Service Pensions and Judicial Offices Bill receives Second Reading

The Bill received its [second reading in the House of Lords](#) on 7 September 2021 and will now move to the Committee Stage (first sitting on 11 October 2021).

James Younger, Viscount Younger of Leckie, confirmed at Second Reading that the Government:

- is aiming for the Bill to receive Royal Assent in early 2022
- will be depositing policy statements in the House Library in the coming weeks
- expects some technical amendments will be required during the Bill's passage through Parliament.

In response to several questions asked which the Viscount was not able to fully address at the time, the Viscount promised to write and provide answers. The Viscount did so in [a letter dated 16 September 2021](#).

The Bill was introduced to Parliament on 19 July 2021 (see [Bulletin 212](#)).

Training

Fundamentals training programme

We are pleased to announce that our Fundamentals training programme will resume this year. The training will take place in three locations: London, Leeds and Cardiff. The London sessions will be hybrid, so delegates can choose to attend in person or virtually. The sessions in Leeds and Cardiff will be face to face only. Places are filling up fast, so use the links below to book your place now.

About

Fundamentals is a bespoke three-day training course aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trade union representatives, member and employer representatives, a variety of officers who attend or support committees and representatives of private sector organisations that provide services to

administering authorities. The course delivers a scheme overview and covers current issues relating to administration, investment and governance in the LGPS.

Attending all three days will assist delegates in meeting the requirement for knowledge, skills and understanding that is either required in statute or encouraged by relevant guidance.

Each day has a different theme and will include sessions delivered by experts in their field. The events also provide delegates with valuable networking opportunities. Each day's programme will start at 10am, with registration and coffee from 9:30am, and close by 4pm with refreshments and lunch provided. For full details see the [Fundamentals training programme](#).

Cost and booking

The cost of each session is:

- £270 plus VAT for face to face training. The cost includes lunch, refreshments and all delegate materials
- £220 plus VAT for virtual attendance (London only). Please use the promotional code HYB for online attendance on the booking page to activate the reduced rate.

You will need to make bookings for virtual attendance separately from any face to face bookings in order to use the code.

We recommend early booking because places are limited. You can only book through the [LGA events page](#). We have provided links to each event below for your convenience.

12 October: Day 1 London	Etc Venues – use code HYB for online
21 October: Day 1 Leeds	Park Plaza Hotel
26 October: Day 1 Cardiff	Marriott Hotel
9 November: Day 2 London	Etc Venues – use code HYB for online
18 November: Day 2 Leeds	Park Plaza Hotel
23 November: Day 2 Cardiff	Marriott Hotel
2 December: Day 3 London	Etc Venues – use code HYB for online
8 December: Day 3 Leeds	Park Plaza Hotel
15 December: Day 3 Cardiff	Marriott Hotel.

LGPS Governance Conference 2022

Booking is open for the LGPS Governance Conference 2022. The title of the conference is 'Climate forecast for the LGPS; (Mc)Cloudy or bright?'. [See our flyer for more details.](#)

The conference is taking place on 20-21 January 2022 in Bournemouth. You can attend the conference in person or join us online.

The conference is aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trades union representatives, member and employer representatives, as well as a variety of officers who attend and support committees.

You can book and view the programme and current list of confirmed speakers using the links below:

- [book to attend in person](#)
- [book to attend virtually.](#)

Training courses in 2022

We have now resumed face-to-face training alongside online training. We will publish next year's programme of courses in January.

Insight Residential Course

We are pleased to announce that booking is now open for the Insight Residential Course taking place from Monday 21 February to Thursday 24 February 2022 in Blackpool.

The course is suitable for pensions administration staff and HR/finance/payroll staff where the pension function plays a significant part in their day-to-day role.

Being a foundation course, the content is aimed at staff who are relatively new to pensions, as well as those who have some experience but want to better understand their own and others' responsibilities under the Scheme. The course material is detailed in sections - this is unavoidable due to the Scheme's design.

You can find out more and book a place on the [LGA's events page.](#)

Wider landscape

GMP fixed rate revaluation consultation

The Department for Work and Pensions launched a [consultation on the fixed rate revaluation of guaranteed minimum pensions \(GMPs\)](#).

The consultation proposes setting 3.25 per cent per year as the fixed rate of revaluation applied to GMPs for early leavers. The rate will apply to leavers between 6 April 2022 and 5 April 2027 of schemes who use the fixed rate.

The LGPS does not use the fixed rate when revaluing GMPs for early leavers.

Government suspends earnings part of ‘the triple lock’

The Government announced on 7 September 2021 that it will be suspending the earnings part of the triple lock for one year.

As a result, the Basic and new State Pension will increase in April 2022 by the higher of 2.5 per cent and inflation. This will also apply to those receiving Standard Minimum Guarantee in Pension Credit and widows’ and widowers’ benefits in Industrial Death Benefit.

The earnings part of the triple-lock was estimated to be above 8 per cent due to “unprecedented fluctuations to earnings caused by the COVID-19 pandemic”.

See [press release for more information](#).

Notifiable events consultation

On 8 September 2021, the Department for Work and Pensions (DWP) launched a [consultation on amendments to the notifiable event rules](#).

Under the notifiable event rules, schemes (and their employers) eligible for entry to the Pension Protection Fund are required to notify the Pensions Regulator of certain events.

Pension Awareness Week

It was Pension Awareness Week on 13 to 17 September, with Pension Awareness Day on 15 September.

During the week, the pension industry came together with the aim of promoting greater saver awareness. For example, Pension Geeks, which is an independent financial communication company, created the website www.pensionawarenessday.com, providing webinars, Q and As and one-to-one sessions.

PLSA publishes ‘an employer’s guide to talking about workplace pensions’

On 15 September 2021, to coincide with Pension Awareness Day, the Pensions and Lifetime Savings Association (PLSA) published [‘an employer’s guide to talking about workplace pensions’](#).

The guide provides background on what employers (and pension schemes) can and cannot say with the intention of helping them navigate the advice / guidance boundary.

Taskforce on Pension Scheme Voting Implementation report published

On 21 September 2021, the [Taskforce on Pension Scheme Voting Implementation published its report](#). The report makes recommendations on how to increase and improve the quality in the voting of equity shares by occupational pension schemes.

The Taskforce was set up in December 2020 by Guy Opperman, Minister for Pensions and Financial Inclusion.

TPR and FCA publish discussion paper on measuring value for money in DC schemes

On 16 September 2021, The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA) published a joint discussion paper on developing a common framework for measuring value for money in defined contribution (DC) pension schemes.

The FCA and TPR are inviting comments on the paper by 10 December 2021 and will publish their response and next steps in 2022.

See [the press release for more information](#).

Legislation

Statutory Instruments

[The Occupational Pension Schemes \(Administration, Investment, Charges and Governance\) \(Amendment\) Regulations 2021 \[2021/1070\]](#)

[The Pensions Regulator \(Employer Resources Test\) Regulations 2021 \[2021/1047\]](#)

[The Pension Schemes Act 2021 \(Commencement No.3 and Transitional and Saving Provisions\) Regulations 2021 \[2021/950\]](#)

Useful links

[LGA Pensions page](#)

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland 2015\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section contact details

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you.

Jeff Houston (Head of Pensions)

Telephone: 07786 681936

Email: jeff.houston@local.gov.uk

Lorraine Bennett (Senior Pensions Adviser – LGPC Secretariat)

Telephone: 07766 252847

Email: lorraine.bennett@local.gov.uk

Jayne Wiberg (Pensions Adviser – LGPC Secretariat)

Telephone: 07979 715825

Email: jayne.wiberg@local.gov.uk

Rachel Abbey (Pensions Adviser – LGPC Secretariat)

Telephone: 07827 307003

Email: rachel.abbey@local.gov.uk

Steven Moseley (Pensions Adviser – LGPC Secretariat)

Telephone: 07780 227059

Email: steven.moseley@local.gov.uk

Karl White (Pensions Adviser (Training) – LGPC Secretariat)

Telephone: 07464 652886

Email: karl.white@local.gov.uk

Joanne Donnelly (Senior Pensions Secretary – LGPS Scheme Advisory Board (E&W))

Telephone: 07464 532613

Email: joanne.donnelly@local.gov.uk

Bob Holloway (Pensions Secretary – LGPS Scheme Advisory Board (E&W))

Telephone: 07919 562847

Email: robert.holloway@local.gov.uk

Gareth Brown (Research and Data Analyst – Pensions)

Telephone: 07785 407657

Email: gareth.brown@local.gov.uk

Elaine English (LGPS Executive Officer)

Telephone: 07909 988968

Email: elaine.english@local.gov.uk

Further information

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