

## LGPC Bulletin 230 – October 2022

Local Government Pensions Committee (LGPC)  
Secretary, Lorraine Bennett

This bulletin contains updates for all LGPS stakeholders. It includes the following important articles which need action by certain stakeholders:

- [Survey on upcoming climate risk reporting regime](#) (not relevant for Scotland) – administering authorities should complete the survey by 2 November 2022
- [Annual and lifetime allowance event report data 2021/22](#) – administering authorities should review the email and follow the instructions when submitting the annual and lifetime allowance event report data for 2021/22
- [Data request on opt outs](#) - administering authorities should provide the data by 4 November 2022.

If you have any comments or articles for future bulletins, please contact [query.lgps@local.gov.uk](mailto:query.lgps@local.gov.uk).

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## **LGPS England & Wales Scheme Advisory Board (SAB)**

### **SAB Chair writes to LGPS minister**

Councillor Phillips, Chair of the Board, has recently sent two letters to Paul Scully, LGPS Minister.

The first letter invites the minister to attend a future SAB meeting.

The second letter asks the minister for an update on the Fair Deal consultation. The Government has yet to respond to the Fair Deal consultation which ran between 10 January 2019 and 4 April 2019. We covered the consultation in [Bulletin 181](#).

For more information on these letters, see [the news](#) page of [www.lgpsboard.org](http://www.lgpsboard.org).

### **SAB responds to HM Treasury's consultation on exit payments**

The SAB recently responded to HM Treasury's consultation on public sector exit payments.

Between 8 August 2022 and 17 October 2022, HM Treasury consulted on proposals introducing new controls for high exit payments. These will apply to all bodies classified as 'central government'. We covered the consultation in [Bulletin 228](#).

You can access the consultation documents and the SAB response on the [non-scheme consultations](#) page of [www.lgpsregs.org](http://www.lgpsregs.org).

### **Survey on upcoming climate risk reporting regime**

On 5 October 2022, Gareth Brown emailed administering authorities in England and Wales, inviting them to complete a [survey on the upcoming climate risk reporting regime](#). The survey should take no longer than 10 minutes to complete and closes on 2 November 2022.

The Department for Levelling Up, Housing and Communities launched a consultation on 1 September 2022. The consultation proposes to introduce a climate risk reporting regime for administering authorities in England and Wales, which we covered in [Bulletin 229](#). The consultation closes on 24 November 2022.

The SAB is undertaking the survey to understand administering authorities' readiness or apprehension about the proposed changes. The results from the survey will shape the SAB's response to the consultation.

## Action for administering authorities

Complete the survey by 2 November 2022.

### SAB update

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

- the latest [SAB meeting and agenda papers](#)
- the latest [committee meetings and agenda papers](#)
- the latest [Responsible Investment Advisory Group meetings and agenda papers](#)
- the [latest news items](#).

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## LGPS England & Wales

### Academy guarantee information

On 14 October 2022, the Department for Education published an updated version of [its policy paper on the academy guarantee](#). It also recently published a [departmental minute on the issue](#).

The information is aimed at academy trusts, administering authorities and actuaries.

The information follows the Government's recent review of the guarantee, which we covered in [Bulletin 227](#).

### LGPS statistics for 2021/22 published

On 26 October 2022, DLUHC published the [Local government pension scheme statistics](#) for England and Wales: 2021 to 2022.

Highlights include:

- total expenditure of £14.4 billion, an increase of 6.6 per cent on 2020/21
- total income of £15.9 billion, a decrease of 8.1 per cent on 2020/21
- employer contributions decreased by 24.3 per cent on 2020/21 to £7.8 billion
- employee contributions of £2.6 billion, an increase of 4.8 per cent
- the market value of LGPS funds on 31 March 2022 was £364 billion, an increase of 8 per cent
- there were 6.3 million scheme members on 31 March 2022: 2.0 million active members, 1.9 million pensioners and 2.3 million deferred members

- there were 94,724 retirements in 2021/22, an increase of 14.2 per cent compared with 2020/21.

The decrease in total income and employer contributions is common in the final year of the three-year valuation cycle. This is due to employers making early payment of contributions in the previous two years.

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## **LGPS Scotland**

### **Second TPO webinar cancelled**

On 3 October 2022, the Scottish Public Pensions Agency (SPPA) announced the second Pensions Ombudsman webinar on the ill health retirement process will not go ahead. This was due to a lack of attendees.

The first webinar was held on 22 September 2022. The second webinar was scheduled for 4 October 2022 and was aimed at those who could not attend the first one.

SPPA emailed a link to a recording of the first webinar to administering authorities. SPPA encourages authorities to share the link with those employers who were unable to attend.

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## **HMRC**

### **Annual and lifetime allowance event report data 2021/22**

On 20 October 2022, Lorraine Bennett forwarded an email from HM Revenue and Customs (HMRC) to all administering authorities.

The email confirms that HMRC will accept the annual allowance event report data for 2021/22 on an excel spreadsheet, rather than through the event report. You must submit this data by 31 January 2023.

HMRC has not yet updated the event report to include lifetime allowance protections that members applied for online. You can also submit these details to HMRC on a password-protected spreadsheet. You must submit this by 31 January 2023.

Further information about providing the data was included in the email.

If you choose to supply information to HMRC in this way, this is at your own risk.

## Action for administering authorities

Review the email and follow the instructions when submitting the annual and lifetime allowance event report data for 2021/22.

## Newsletter 143

HMRC published [Newsletter 143](#) on 30 September 2022.

The newsletter includes articles:

- confirming that schemes can use the pension scheme tax reference number when paying charges if they do not have a specific charge reference. HMRC had previously announced in April 2022 that schemes were unable to do so
- confirming that Government has decided against introducing a new reportable event for certain public service pension schemes from April 2023
- confirming that HMRC expects to release the event report for 2023/24 on the Managing pension schemes service in summer 2023. HMRC had previously expected to release this in spring 2023.

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## TPO

### A day in the life of TPO

The Pensions Ombudsman (TPO) published [an article setting out a day in the life of Anthony Arter](#) on 13 October 2022. Anthony is the current Pensions Ombudsman.

The article was published to mark the fifth annual Ombuds Day. The Ombuds Day aims to educate and raise awareness among the public about the history and practices of the ombuds profession. This year's theme was resilience, respect and resolve.

Dominic Harris will replace Anthony Arter as Pensions Ombudsman in January 2023.

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## TPR

### Enforcement and prosecution policies updated

On 25 October 2022, the Pensions Regulator (TPR) published the following:

- [revised enforcement policy](#)
- [updated prosecution policy](#)
- [new enforcement strategy](#).

These aim to give clarity on what those who are subject to enforcement action can expect from TPR.

The enforcement policy sets out TPR's approach to investigating cases and any subsequent enforcement action. It is web-based and divided into standalone chapters, each with links to other relevant documents. The policy also consolidates previous policies in respect of defined benefit, defined contribution and public service pension schemes.

The prosecution policy explains how TPR will approach prosecuting workplace pension criminal offences. The policy has been brought up to date to reflect the new criminal powers in the Pensions Schemes Act 2021 and other developments.

The enforcement strategy sets out the overarching aims of TPR's enforcement work (excluding automatic enrolment). It also provides an insight into the framework TPR applies when selecting cases for enforcement action.

TPR ran a consultation on the revised enforcement and prosecution policies between 4 May 2022 and 24 June 2022 and responded on 25 October 2022. You can access the consultation documents on [the consultations page of TPR's website](#).

For more information, see the [press release from TPR](#). Erica Carroll, TPR's Director of Enforcement, also published [a blog setting out the reasons for the changes](#).

### **TPR speech at PLSA conference**

Charles Counsell, Chief Executive Officer at TPR, delivered a speech at the recent Pensions and Lifetime Savings Association (PLSA) conference. The speech was titled 'Looking Ahead: Regulating for the Saver'.

The speech covered a wide range of issues, including dashboards, liability-driven investments and the cost-of-living crisis.

TPR has published [an extract of the speech](#).

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## **Pensions dashboards**

### **Draft guidance on deferring staging date published**

On 17 October 2022, the Department for Work and Pensions (DWP) published [draft guidance on applying to defer the staging deadline](#). DWP also published a [template application form](#).

The draft Pensions Dashboards Regulations 2022 propose allowing trustees / managers of a pension scheme to apply to DWP to defer their staging deadline.



They set out the time limits in which to apply and the circumstances where DWP may accept applications. DWP may only agree to defer the staging deadline once for each scheme and for a period of up to 12 months.

DWP has produced the draft guidance to aid understanding of the application process. This includes:

- what DWP will consider when reviewing applications
- what evidence should be submitted to support an application
- how to apply, including a recommendation to use the template application form
- how DWP will let schemes know whether they have accepted the application and how schemes can appeal.

DWP will finalise the draft guidance once the dashboard regulations come into force.

### **Draft dashboard regulations laid for approval**

On 17 October 2022, DWP laid a draft of [The Pensions Dashboard Regulations 2022](#) before each House of Parliament.

DWP can only make the regulations if each House approves the draft by a resolution. The House of Lords will consider the regulations on 15 November 2022. As yet, no date has been set for this to happen in the House of Commons.

DWP consulted on draft dashboard regulations between 31 January 2022 and 13 March 2022. They responded on 15 July 2022, which we covered in [Bulletin 227](#). The draft regulations laid before each House have been amended to reflect the consultation response. They have also been amended to reflect the response to the further consultation (see next article).

You can access the consultation documents on:

- [the non-scheme consultations](#) page of [www.lgpsregs.org](http://www.lgpsregs.org)
- [the non-scheme consultations](#) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

### **DWP responds to further consultation on dashboards**

On 17 October 2022, DWP responded to the further consultation on dashboards. This ran from 28 June to 19 July 2022, see [Bulletin 226](#) for more information.

The response confirms that the DWP will:

- give pension schemes six months' notice of the point at which pensions dashboards will be available to the public, the 'Dashboard Available Point'. This is an increase to the 90 days proposed in the consultation
- go ahead with the second proposal allowing the Money and Pensions Service (MaPS) and the Pensions Regulator (TPR) to share information about dashboards.

You can access the consultation documents on:

- [the non-scheme consultations](http://www.lgpsregs.org) page of [www.lgpsregs.org](http://www.lgpsregs.org)
- [the non-scheme consultations](http://www.scotlgpsregs.org) page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

### **Progress update report**

On 26 October 2022, the Pensions Dashboards Programme (PDP) published its [sixth progress update report](#).

The report covers:

- programme activity in the six-month period from April 2022,
- focus areas to April 2023
- updates from PDP's partners: DWP; the Financial Conduct Authority (FCA); and TPR.

To complement the report, PDP will be hosting a webinar on 3 November 2022. You can sign up for the webinar on [the registration page of the PDP's website](#).

### **Research on public value of dashboards published**

PDP has published the results of research carried out by Ipsos. PDP commissioned Ipsos to carry out quantitative research into the value that people attach to pension dashboards and their likelihood to use them.

PDP will use the results to inform development of the central digital architecture.

For more information, including a link to the results, see [the press release from PDP](#).

### **Update on connecting early participants to the dashboard ecosystem**

On 17 October 2022, the PDP published [an update on the programme](#).

The update outlines the next three steps for early participants connecting to the pensions dashboards ecosystem. Early participants are those who volunteered to help test and develop the ecosystem.

## Videos published

On 13 October 2022, PDP published two short videos.

The first video is called '[Get your data ready for pensions dashboards](#)'. The video provides guidance to schemes on how to cleanse data so that it is accurate and up-to-date.

The second video is called '[An introduction to find and view data](#)'. The video explains the important differences between find data and view data.

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## Other news and updates

### Data request on opt outs

On 11 October 2022, Gareth Brown emailed administering authorities in England, Scotland and Wales with a request for data on the number of members opting out or moving to the 50/50 section. The email was sent on behalf of the Scheme Advisory Board (SAB) for England and Wales.

More detail about the request was included in the email. Authorities are asked to respond by 4 November 2022.

The data will allow the SAB to understand the extent to which the cost of living crisis is changing members' behaviour. The data will also help the SAB to decide whether a more substantial data gathering exercise is required. This would capture data that is only likely to be held by employers.

The SAB expects to rerun the exercise early next year and possibly again in spring 2023.

### Action for administering authorities

Provide the data by 4 November 2022.

### FAQ added to member websites

We recently added a new FAQ to the member websites. The FAQ considers whether a member's pension is affected by uncertainty in the financial markets.

You can access the new FAQ on:

- the [About your pension FAQ](#) page of [www.lgpsmember.org](http://www.lgpsmember.org)
- the [About your pension FAQ](#) page of [www.scotlgpsmember.org](http://www.scotlgpsmember.org).

## **FCA warns that cost-of-living crisis could increase pension scams**

The Financial Conduct Authority (FCA) recently issued a [press release warning that the cost-of-living crisis could cause an increase in pension scams](#).

The warning follows FCA research that a quarter of consumers would consider withdrawing money from their pension earlier than planned to cover the cost of living, making them vulnerable to pension scammers.

## **FRC publishes new version of AS TM1**

On 7 October 2022, the Financial Reporting Council (FRC) published [version 5.0 of the Actuarial Standard \(AS\) TM1](#).

The purpose of AS TM1 is to specify the assumptions and methods to be used for calculating statutory money purchase illustrations (SMPs). SMPs are included in annual benefit statements. This includes statements for AVCs. The Department for Work and Pensions intends for AS TM1 to make pension projections more consistent and reliable when shown on pension dashboards. AS TM1 does not apply to defined benefit schemes.

The new version applies to illustrations issued on or after 1 October 2023. Version 4.2 will continue to apply until then.

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

## **GAD blog on LDIs**

The Government Actuary's Department (GAD) has recently published a [blog on liability driven investments \(LDIs\)](#).

The blog explains what LDI is and the recent issues with this type of investment during market volatility.

## **September 2022 CPI rate announced**

On 19 October 2022, the Office for National Statistics announced [the Consumer Prices Index \(CPI\) rate of inflation for September 2022 as 10.1 per cent](#).

Government policy in recent years has been to base increases under the Pensions (Increase) Act 1971 and revaluation of pension accounts under section 9 of the Public Service Pensions Act 2013 on the rate of CPI in September of the previous year. We await confirmation from Government that the revaluation and pensions increase that will apply to LGPS active pension accounts, deferred pensions and pensions in payment in April 2023 will be 10.1 per cent.

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## Training

### **LGPS Governance Conference 2023**

Our recently released [conference flyer](#) contains an updated programme with confirmed speakers.

The conference will take place on 19 and 20 January 2023 at the Cardiff Marriott Hotel. You can attend the conference in person or join us online. If you wish to attend in person, we recommend you book early as places are limited.

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 using the links below. We are unable to take manual bookings.

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

The booking page for all LGA events is [www.local.gov.uk/events](http://www.local.gov.uk/events).

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## Wider landscape

### **PASA publishes defined contribution (DC) transfer guidance**

The Pensions Administration Standards Association (PASA) recently published [Good Practice Guidance on DC Transfers](#).

The guidance is aimed at transfers from trust based DC schemes.

The guidance primarily aims to improve the overall saver experience through faster and more secure transfers.

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## Legislation

### **Statutory Instruments**

[The Pension Schemes Act 2021 \(Commencement No.7 and Transitory Provision\) Regulations 2022](#) [2022/1044]

## Useful links

[LGA Pensions page](#)

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

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

[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.

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## LGPS pensions section contact details

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

### **Joanne Donnelly (Head of Pensions)**

Telephone: 07464 532613

Email: [joanne.donnelly@local.gov.uk](mailto:joanne.donnelly@local.gov.uk)

### **Lorraine Bennett (Senior Pensions Adviser – LGPC Secretariat)**

Telephone: 07766 252847

Email: [lorraine.bennett@local.gov.uk](mailto:lorraine.bennett@local.gov.uk)

### **Jayne Wiberg (Pensions Adviser – LGPC Secretariat)**

Telephone: 07979 715825

Email: [jayne.wiberg@local.gov.uk](mailto:jayne.wiberg@local.gov.uk)

### **Rachel Abbey (Pensions Adviser – LGPC Secretariat)**

Telephone: 07827 307003

Email: [rachel.abbey@local.gov.uk](mailto:rachel.abbey@local.gov.uk)

**Steven Moseley (Pensions Adviser – LGPC Secretariat)**

Telephone: 07780 227059

Email: [steven.moseley@local.gov.uk](mailto:steven.moseley@local.gov.uk)

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

Telephone: 07464 652886

Email: [karl.white@local.gov.uk](mailto:karl.white@local.gov.uk)

**Lisa Clarkson (Pensions Adviser (Employer) – LGPC Secretariat)**

Telephone: 07464 532596

Email: [lisa.clarkson@local.gov.uk](mailto:lisa.clarkson@local.gov.uk)

**Jeremy Hughes (Senior Pensions Secretary - LGPS Scheme Advisory Board (E&W))**

Telephone: 07960 513946

Email: [jeremy.hughes@local.gov.uk](mailto:jeremy.hughes@local.gov.uk)

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

Telephone: 07919 562847

Email: [robert.holloway@local.gov.uk](mailto:robert.holloway@local.gov.uk)

**Ona Ehimuan (Pensions Secretary (Governance and Digital) – LGPS Scheme Advisory Board (E&W))**

Telephone: 07501 088144

Email: [ona.ehimuan@local.gov.uk](mailto:ona.ehimuan@local.gov.uk)

**Gareth Brown (Research and Data Analyst – Pensions)**

Telephone: 07785 407657

Email: [gareth.brown@local.gov.uk](mailto:gareth.brown@local.gov.uk)

**Elaine English (LGPS Executive Officer)**

Telephone: 07909 988968

Email: [elaine.english@local.gov.uk](mailto:elaine.english@local.gov.uk)

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