

Cost Management, Benefit Design and Administration Committee (CMBDA)

Hybrid meeting of 24 February 2025

ITEM 3 PAPER A

Actions and agreements from 28 October 2024

Actions and agreements

Present

George Georgiou	Employee representative (GMB), Chair
Simon Taylor	Practitioner – West Midlands Pension Fund
Emma Mayall	Practitioner – Greater Manchester Pension Fund
Kevin Gerard	Practitioner – Carmarthenshire Pension Fund
Paul Guillotti	Practitioner – Richmond and Wandsworth Pension Fund
Glyn Jenkins	Employee representative (UNISON)
John Neal	Employee representative (Unite)
Becky Durrant	Actuaries – Aon
Robert Bilton	Actuaries – Hymans Robertson
Melanie Durrant	Actuaries – Barnett Waddingham
Michelle Doman	Actuaries – Mercer
Martin Smith	Government Actuary's Department (GAD)
Matt Gurden	GAD
William King	Ministry for Housing, Communities and Local Government (MHCLG)
Rachel Abbey	Local Government Association (LGA) – Lead Pensions Adviser
Joanne Donnelly	LGA – Board Secretary
Jeremy Hughes	LGA – Senior Pensions Secretary
Ona Ehimuan	LGA – Pensions Secretary
Becky Clough	LGA – Board Support and Policy Officer
Sarah Tingey	LGA – Research and Data Analyst

Items 1 and 2 – Welcome, introductions and declarations of interest

1. The Chair welcomed all in attendance to the meeting. Robert Bilton deputised for Catherine McFadyen (Hymans Robertson) and Becky Durrant deputised for Jonathan Teasdale (Aon). Rachel Abbey deputised for Lorraine Bennett (LGA). There were apologies from Charity Main (Academies representative).
2. There were no conflicts of interest declared.

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Item 3 – Actions and agreements from 1 July 2024 meeting

3. The minutes of the meeting on 1 July 2024 were agreed as a fair and true record of the meeting.

Item 4 – Update on McCloud and Pensions Dashboards

4. Rachel Abbey (RA) gave a verbal update to the Committee on McCloud confirming the latest issues covering the McCloud remedy. Covered in the update was that the recently laid LGPS (Information) Regulations 2024 remove the requirement to include estimated underpin information in the 2023/24 Annual Benefit Statements and also provide a discretion not to include estimated underpin information in the 2024/25 statements for a particular member or class of members. Earlier in the month the team ran a series of webinars, two covering transfers and a further two covering McCloud issues generally, the webinars were attended by over 500 people.
5. An update was provided on the issue of teachers' excess service and McCloud. The team meet regularly with representatives from MHCLG, the Department for Education and Capita (the Teachers' Pension Scheme administrator). The estimated number of teachers possibly in scope was down to 6,000 and could decrease further.
6. On Pensions Dashboards, RA confirmed that the Department for Work and Pensions had published a [written statement](#) on dashboards which confirms that the final deadline for connecting to the dashboard is 31 October 2026.
7. Glyn Jenkins (GJ) asked whether current retirees and other scheme leavers were seeing an increase in benefits due to the impact of the McCloud remedy. RA said there was no systematic data gathering on this but anecdotally under 10 per cent of scheme members are affected by the remedy as the career-average scheme offers better accrual for most scheme members, and this was leading to higher benefits.

Item 5 – Update from Gender Pensions Gap (GPG) working group

8. Becky Clough (BC) introduced Paper B to the Committee detailing the progress that had been made since July.
9. The Board [wrote to MHCLG](#) asking for a review of the actuarial factors and regulations covering shared cost additional pension contributions (SCAPCs). The Board also now has representation on the Pensions Equity Group (PEG) and the Group's 'Mind the Gap' paper was included at Annex

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A for the Committee to review and comment on how it can be updated for the public sector.

10. A survey is being prepared which asks scheme employers for data and insight on the number of scheme members who opt out of the pension scheme and to gauge appetite for gender pensions gap reporting. Will King (WK) said that there is Ministerial interest in this work within Government and MHCLG are aligned with the Board on the timings for actions A-D as detailed in the paper. The Secretariat emphasised that they would move quickly on the things which were, to a degree, within their gift (such as recommendations to changes to SCAPC rules) but other things required culture change at the workplace level and these would take time.
11. John Neal (JN) thanked the Secretariat for their work and suggested that the way SCAPCs work in the LGPS needed to be aligned with the similar deadlines for other public sector pension schemes.
12. Simon Taylor (ST) asked how PEG's Mind the Gap report is being promoted to employers. BC said that PEG didn't yet have a website and so the draft, which is currently under development, was only being shared via LinkedIn. The Secretariat were also liaising with PEG on the communications strategy to support and promote this work.
13. GJ asked whether any analysis of the GPG for those taking flexible retirement or working the "4 day week" had been undertaken. Jeremy Hughes (JH) explained that the Board's priority now was on the mainstreaming of GPG reporting across public sector pension schemes, rather than commissioning further analysis itself.

ACTION – that the Secretariat carries out the actions detailed in paragraph 2 in Paper C, namely

- **Explore and propose a standard GPG definition and reporting approach (including methodology) for the Local Government Pension Scheme, including both for funds and employers, and prepare this draft for Committee approval at its next meeting**
- **Explore with the PEG how to adapt the 'Mind the Gap' employer best practise guide found in Annex A for the Public Sector**
- **Work with MHCLG (as required) to conduct a more detailed review of treatment of authorised unpaid leave and produce proposals for consultation on amendment to the LGPS regulations and SCAPCs**

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- **Analyse the responses from the GPG survey to local government employers**

Item 6 – Opt out survey

14. Sarah Tingey (ST) gave a verbal update to the Committee. The previous data collected showed no evidence to demonstrate an increase in optants out from the scheme. There are ongoing discussions with MHCLG on ways of gathering comprehensive, reliable data on opt outs. This will require the establishment of a legal basis for funds to gather and hold data on optant outs, agreement on standards so that consistent data can be collected, and also collaboration with pension software providers and administrators to ensure that reporting was not burdensome.
15. A further survey aimed at collecting information from Local Authorities and academies sector would be issued by the Secretariat soon.
16. GJ asked if there was data for the 50/50 section of the scheme. Martin Smith (MS) said that this data was collected for the scheme-level valuations that GAD carry out every four years. Kevin Gerard (KG) added that the 50/50 scheme is actively promoted by most funds and that gathering 50/50 scheme data shouldn't be an onerous amount of work, but it needed to be clear if it was being gathered, i.e. would it be movement from the main scheme to 50/50, or a point in time headcount of the number of members in the 50/50 section of the scheme.
17. The Committee noted the update set out above.

Item 7 – Pensions Review

18. Joanne Donnelly (JD) introduced Paper D to the Committee. The Board has published its response to the government's Call for Evidence. It was not expected that there would be any big announcements at the budget on 30 October 2024 but this would instead happen at the Mansion House speech in November.
19. The Board Chair would also be meeting with Pension Committee Chairs to discuss the Pensions Review and other topical issues in November 2024 following on from similar events earlier in the year.

POST MEETING NOTE – MHCLG launched the LGPS Fit for the Future consultation following the Mansion House speech on 14 November 2024. The consultation closes on 16 January 2025 and the Board will be submitting a response early in the new year.

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20. The Committee also agreed with the recommendation that it should seek to engage with Phase 2 of the Pensions Review, which was expected to look at pensions adequacy and fairness.

ACTION – for a small working group to be set up to consider how best to engage with Phase Two of the Pensions Review.

Item 8 – New Fair Deal

21. Jeremy Hughes introduced the discussion to the Committee. Implementation of New Fair Deal (NFD) was not explicitly in Labour's manifesto but it was expected that the new Government would seek to catch up on implementation of the last Government's NFD policy from 2013. An announcement was also expected on whether NFD would apply to further education staff, after the sector was reclassified by ONS as being part of the public sector.

POST MEETING NOTE – The Government has since [written](#) to the Association of Colleges confirming the extension of New Fair Deal to further education bodies that operate in the statutory sector

22. The Government has also committed to bringing in a new "Two Tier Code", as part of Labour's "new deal for working people". This was explicitly in some of the policy documents prepared for the election but not the manifesto itself. The commitment was to "extend and strengthen" what was in the [withdrawn code](#). JH said that LGA would be engaged in discussions on how the new Code might be implemented in the local government sector, that there would first be a consultation on the previous New Fair Deal policy and, as mentioned above, a fresh look at the two-tier Code.

Item 9 – Normal Minimum Pension Age (NMPA)

23. JH introduced the discussion and highlighted Paper D from the 1 July 2024 meeting which laid out the current position. The Committee discussed whether it should recommend to the Board taking a view on how the incoming increase of NMPA from 55 to 57 will impact the LGPS.
24. John Neal (JN) said that Unite would like to see existing LGPS members specifically protected from the increase. Emma Mayall (EM) said that a large

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proportion of the scheme is comprised of women and she would like to see an equality impact assessment conducted for any proposed changes.

25. WK asked how the Committee's views aligned with LGPC's position. RA explained that LGPC's response is more technical than policy based. The Committee noted that there was no protection for LGPS members the last time NMPA was increased, which was out of line with the other public sector schemes, but this was because there was no unqualified right to the earlier NMPA in the old regulations.

26. The Committee agreed to recommend that the Board should take a defined stance on the issue.

ACTION – that the Secretariat raise the issue of normal minimum pension age and its effect on the LGPS at the next Board meeting on 25 November 2024

Item 10 – MHCLG Update

27. WK informed the Committee that four key areas had been taken to the minister for consideration: addressing the gender pensions gap, getting a better handle on opt outs, implementation of New Fair Deal and updating survivor benefits in the light of recent court judgments. The aim was to make the necessary amendments to regulations next year and MHCLG may be able to address additional areas which have been on the technical list for addressing at the same time. WK thanked the Secretariat for their ongoing efforts across various workstreams.

28. GJ expressed a concern about the delay in implementing the Goodwin case and that any widowers who have lost out should be identified as soon as possible.

Item 11 – AOB and date of next meeting

29. There were no AOB items, and the date of the next meeting was confirmed as 24 February 2025.
