



**The Rt Hon Baroness Jacqui Smith
Minister for Skills**

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Cllr Roger Phillips, Chair of the LGPS Schem Advisory Board
By email: roger.phillips@herefordshire.gov.uk

12 November 2024

Dear Roger,

**Local Government Pension Scheme Guarantee (LGPS) for Further Education
Statutory Bodies**

I am writing to you as chair of the Local Government Pension Scheme Advisory Board, to notify you that I have laid a parliamentary minute announcing the establishment of a guarantee for Local Government Pensions Scheme liabilities for all Further Education bodies in the statutory sector. This guarantee builds on the guarantee that the department provides to academies for the LGPS.

The DfE Further Education LGPS Guarantee is a government commitment to fund pension deficits in the event of a closure where the Further Education body's reserves are insufficient to fund their own LGPS deficit upon closure.

The Guarantee provides Further Education bodies in the statutory sector with direct Government backing for certain pension costs and I am seeking the Scheme Advisory Boards support in ensuring that our Crown Guarantee is recognised by all administering authorities and reflected in scheme valuations and Funding Strategy Statements, both in the setting of the employer contribution rates and the length of the deficit recovery periods for Further Education providers.

In providing the Further Education LGPS Guarantee alongside the established Academy LGPS Guarantee, the Department's guarantees cover over 40% of employers participating in the LGPS, as well as a significant proportion of the total assets and liabilities across the scheme.

Yours sincerely

**The Rt Hon Baroness Jacqui Smith
Minister for Skills**

CC: Joanne Donnelly, Head of Pensions, Local Government Association