

Local Government Pension Scheme
Scheme Advisory Board

The Rt Hon Laura Trott MBE MP
Chief Secretary to the Treasury
HM Treasury
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Please reply to joanne.donnelly@local.gov.uk

Dear Laura

Gender Pensions Gap – Local Government Pension Scheme Advisory Board

I am writing to you on behalf of the Local Government Pension Scheme Advisory Board (“the Board”) to follow up on a letter you have recently received from Garry Graham, Deputy General Secretary of the Prospect Union.

The Board is a statutory body which was established under the Public Service Pensions Act 2013 to advise Ministers on the desirability of making changes to the Local Government Pension Scheme in England and Wales (LGPS). As you may know, the LGPS is the largest funded defined benefit pension scheme in the UK and has 6.6 million members, including many of the lowest paid employees in the public sector, and some £359 billion in assets. Full details of the Board can be found at www.lgpsboard.org.

During 2022/23, the Board commissioned the Government Actuary’s Department to undertake some analysis of the gender pensions gap in the LGPS and two reports on this issue have been published on the Board’s website. The [first report](#) identified a substantial difference in the pensions accrued by men and women in the LGPS, showing a gender pensions gap of 34.7% in the reformed Career Average Revalued Earnings (CARE) scheme. The second report explored in more depth how career patterns and differences within LGPS employers affected the gap. We are now actively considering how best to address the significant gaps which have been found, and have set up a dedicated working group to take forward an action plan.

Due to our progress in highlighting this issue, local government employers and unions have found that the gender pensions gap analysis has given a more dynamic picture of how scheme members’ salaries change over time and some of the graphs in our reports very clearly illustrate the different trajectory of men and women’s careers. Additionally, this analysis adds context and richness to the existing data that the Local Government Association has gathered as part of the statutory gender pay analysis that local government employers undertake.

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We recognise that these gaps have many causes both in the workplace and wider society, and won't be resolved overnight, but calculating the gender pensions gap gives us a benchmark by which we can assess how well we are progressing in delivering more equal employment opportunities in the public sector (which I am sure we are all committed to).

I would like to place on record the Board's support for Prospect's call to take a consistent and active cross-public sector approach to assessing and addressing the gender pensions gap. As a body which has already given much thought to the issues arising, we would be keen to be part of any discussions on how we could 'mainstream' this type of analysis into the management of public service pension schemes.

As providers of social care and support, many councils are well aware of the challenges of achieving pension adequacy, especially for older women. We therefore also feel that if gender pension gap information were more widely produced, it would be an important evidence base for Government to use when exploring how future tax and state pension changes might be made to improve pension adequacy for women.

As the Board's Chair, I hope to be able to work with you and your officials on this important question.

Yours sincerely



Cllr Roger Phillips
Chair of the Board

cc Simon Hoare MP, Local Government Minister