Scheme Advisory Board (SAB) Meeting

23 November 2026, 1.30pm

18 Smith Square, London and Microsoft Teams

Paper A: Actions and Agreements of meeting held on 20 July 2026

Present

Councillor Roger Phillips	Chair
Councillor John Beesley	Scheme Employer Representative
Councillor Toby Simon	Scheme Employer Representative (Liberal Democrat)
George Georgiou	Scheme Member Representative (GMB)
Les Timbey	Scheme Member Representative (GMB)
Ben Thomas	Scheme Member Representative (UNISON)
Debi Potter	Scheme Member Representative (UNISON)
John Neal	Scheme Member Representative (UNITE)
Tommy Bowler	Scheme Member Representative (UNITE)
Matt Gurden	Government Actuary's Department (GAD)
Tiffany Tsang	Pensions UK
Neil Mason	Practitioner Representative (Surrey Pension Fund)
Kelvin Menon	Association of Local Authority Treasurers (ALATS)
Nick Kirby	Trades Union Congress (TUC)
Jeff Dong	Compliance and Reporting Committee Chair
Annette Greenslade	Scottish Public Pensions Agency (SPPA)
David Murphy	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
Ben Lavelle	Ministry of Housing, Communities and Local Government (MHCLG)
Rosanna Thomson	MHCLG
Will King	MHCLG
Bramman Rajkumar	MHCLG
Sarah Graham	Nominated Scheme Employer Representative (non-local authority)

Secretariat

Clair Alcock	Local Government Association (LGA) – Head of Pensions and Board Secretary
Jeremy Hughes	LGA – Deputy Board Secretary

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Lorraine Bennett	LGA – Principal Pensions Adviser
Becky Clough	LGA – Board Support and Policy Officer
Ona Ehimuan	LGA – Pensions Secretary
Sophia Chivandire	LGA – Pensions and Policy Support Officer

1. WELCOME, APOLOGIES, INTRODUCTIONS AND DECLARATIONS OF INTEREST

The chair welcomed all in attendance. Apologies were received from Councillor Nathan Yeowell, Councillor Chris Weaver and Kirsty McLean. There were no declarations of interest.

Sarah Graham who has been nominated as the new non-local authority scheme employer representative for the educator sector. She is attending as an observer pending ministerial approval of her nomination.

The chair noted that this would have been Councillor Weaver's last meeting as he is stepping down after being appointed leader of Cardiff Council. And former Councillor Andrew Thornton's appointment on the Board has come to an end after the results of this year's local elections on 7 May 2026. The Board noted this membership change and wished to place on record thanks for both members' contribution.

Welcomed to the meeting were Rosanna Thomson and Will King who were attending their first Board meeting since becoming the Co-Heads of Pensions at MHCLG.

2. ACTIONS AND AGREEMENTS FROM PREVIOUS MEETING

The actions and agreements from the meeting held on 24 March 2026 were agreed as a true and correct record of the meeting except for one amendment raised on page 8 under agenda item 14 in relation to an increase in employer exits. Ben Thomas said that this comment should refer to the higher education sector rather than the academies sector.

3. MATTERS ARISING

There were several matters arising:

- In line with the action agreed at the last meeting, the pensions dashboard project and the LGA restructure have been added to the SAB risk register.
- Following the last meeting, the secretariat fed back the Board's comments that it wasn't sensible to set thresholds for establishing a single purpose

pensions authority (SPPA) as part of the wider local government reorganisation. Instead, it would be more appropriate to set parameters and functional tests, which would include; opportunities to improve service levels, better governance, improved capacity to undertake the pool shareholder role. It was also shared that MHCLG are working on some guidance to be issued shortly. The intended purpose of guidance is to remind local authorities to think about pensions and invite proposals for SPPAs, carefully based on evidence. The guidance would also include timelines for decisions and it was stated that if SPPA is under consideration then the affected authorities would need to tell MHCLG by March 2027.

- The Board requested representation on the Department for Work and Pensions' (DWP) working group on fiduciary duty has been approved and Clair Alcock has attended a working group since the last Board meeting.
- An amendment has been made to the Board Terms of Reference to better reflect the nomination process for the non-local authority scheme employer representative for the education sector.

4. LGPC UPDATE

Lorraine Bennett talked through the main points from Paper B, covering the significant member benefit changes and LGPC work to assist the scheme in implementing the changes. It was stated that in some instances, eg for survivor benefit changes, casework required backdating and complex administrative processing. This was leading to difficulties in hitting the targets set out in the statutory guidance.

A question was raised on whether there is data available on the take-up levels of councillors and mayors joining the scheme as it was thought it may be limited. There is some data available which reflects that take-up has been low and the Secretariat agreed to discuss with MHCLG whether standard data collection process should be established (either through annual reports or the SF3 statistical return).

There was also a discussion about the potential to increase the personal tax allowance for low earners. Councillor Toby Simon, who raised the matter, confirmed he would set out the specific issue in writing.

Ben Thomas asked if there were to be any transitional protections for the change in factors which followed the SCAPE rate change, where they impacted on scheme member benefits. In response, LB said that there was advanced warning in May

2026 and caveats should have been added to estimates, but there was no policy or protocol in place for how changes are introduced. It was agreed to consider setting up such a protocol, which would include how member representatives are able to feed into decisions.

MHCLG responded that the impact on members and the administrative burden of changes would be considered, but that this would have to be for future changes as all member benefits changes discussed in the paper have already been implemented.

The Board noted the other contents of the report.

5. FIT FOR THE FUTURE TECHNICAL CONSULTATION RESPONSE, REGULATIONS AND GUIDANCE

Jeremy Hughes (JH) confirmed that since the last Board meeting in March 2026, the relevant regulations and statutory guidance had been published. He added that the Board were grateful for the continued engagement throughout by MHCLG.

Paper C outlined how the Board would continue to assist funds to implement the changes, including the suggestion of where further Board guidance could be created. The Board were asked to note the workstreams would be established to consider further Board support on these areas:

- Conflicts of interest policy
- Knowledge and understanding
- Training strategy
- Governance strategy
- Pension Administration strategy working group
- Fund oversight of pools
- Pool reporting
- Local Investment

The chair commented that there was value in assisting in creating consistency in implementation and the Board agreed the proposed programme of support and guidance development in Paper C.

6. SAB GOVERNANCE STRUCTURE REVIEW

Ona Ehimuan provided a thorough overview to the Board on this item and the recommendations set out in Paper D and asked the Board for feedback. The paper

updated the Board on the mapping exercise carried out to determine existing networks supporting the scheme, the discussions held at the Investment Committee's last meeting on 22 June 2026 on the committee's membership, its workplan and its recommendations to the Board on changes needed to reflect post-Fit for the Future responsibilities.

The chair welcomed the work undertaken by the secretariat which reflected the significant change in the LGPS and the need for the Board's structures to move with it. Both Councillor John Beesley and Councillor Toby Simon expressed support for the proposals and the remarks from the chair, including having all six asset pools represented on the Investment Committee. It was also agreed to keep the perspective from outside the asset pools of investments in the role of investment consultations during this significant period of transition.

All recommendations in Paper D were agreed.

7. BOARD AND COMMITTEE MEMBERSHIP

Ben Lavelle provided a verbal update to the Board that MHCLG are making good progress putting together the recruitment campaign for the next Board chair. It is a role which is expected to be appointed by the Secretary of State with the process being managed by the MHCLG public appointments team and following their usual procedures. MHCLG would engage with secretariat on the detail of the plan, such as timings and wording of the invitation for applications.

The Board were guided through the membership changes since the last meeting and invited to appoint a new Investment Committee chair. Councillor John Beesley expressed an interest in taking on the role which received support from other Board members. This would be taken forward by the secretariat. On Paper E, the Board noted and approved all the recommendations as set out.

8. EDI SURVEY OF BOARD AND COMMITEES (AND SECRETARIAT)

JH introduced Paper F which set out a proposal to collect Equality, Diversity and Inclusion (EDI) data on Board members, pension committee members and Local Pension Board members. The Board agreed that it was important to understand who is involved in the governance of the LGPS and that more data on this was needed.

The Board agreed the approach set out in Paper F.

9. SAB COMMUNICATIONS UPDATE

Sophia Chivandire (SC) introduced Paper G to the Board. The Board commended her on the progress made with the SAB communications strategy and the ambitious range of planned events. SC also updated the Board on the website accessibility testing. The chair encouraged all Board members to put the Annual Assembly into their diaries and the Board agreed the recommendations in the paper.

10. INVESTMENT COMMITTEE UPDATE

The last committee meeting was chaired by Clair Alcock, instead of Andrew Thornton.

Paper H confirmed that the committee last met on the 22 June 2026 and discussed:

- Fit for the Future implementation and the committee's Strategic Action Plan
- Update of Board's guidance on MIFID II compliance
- Fiduciary duty in the LGPS
- Code of Transparency (CoT) data system
- Responsible Investment Advisory Group (RIAG) Report
- The committee workplan

The Board accepted the Committee's conclusion that the Board's MIFID guidance was still suitable and would be moved from the archive to the main part of the website.

Councillor Toby Simon reflected that consideration of the fiduciary duty continued to occupy a significant portion of committee time and the Board asked about the timetable for producing guidance from the wider fiduciary duty working group. OE said that Autumn was the expected deadline but this could shift depending on how work progressed on the guidance.

The Board agreed that the chair should write a welcome letter to the new Local Government Minister and ask him for an early meeting to include discussion of how best the scheme could collectively address the challenge around squaring its fiduciary duty with the requests made of it around responsible investment policy.

The Board noted the rest of the paper and agreed the committee's action plan.

11. COMPLIANCE AND REPORTING COMMITTEE (CRC)

Jeff Dong introduced Paper I which included an update on the work of the CRC, its working groups and the workplan following the Government's Fit for the Future regulations and guidance being introduced. The latest committee meeting on 29 June 2026 discussed:

- Separation of audit
- The Pensions Regulator update
- Annual report guidance
- Supplementary guidance development
- Other non-guidance activity
- Working groups summary
- Peer support project
- Peer support project training
- Peer support project pilot
- Peer support documentation
- Peer support project plan
- Local pension board support and guidance

The Board were pleased to note that MHCLG provided a significant update on decoupling of pension fund accounts proposals at the CRC meeting, which had been debated for some time. It was also noted that the Pensions Regulator attended the last committee meeting. Councillor Toby Simon asked whether a local authority's audit committee would still need to sign off the pension fund accounts. It was thought that this would still be the process but alternative options, such as sign-off by the pension committee, were being explored as part of the proposals.

The Board noted the update, agreed the updated Annual Report guidance and approved the committee's workplan.

12. COST MANAGEMENT, BENEFIT DESIGN AND ADMINISTRATION COMMITTEE (CMBDA)

JH introduced Paper J which updated the Board on the last CMBDA meeting which took place on Monday 6 July 2026. When the committee last met, they discussed:

- Local Government Pension Committee (LGPC) update
- HMG cost control mechanisms (2024 valuation)
- MHCLG review of Regulation 64A
- Gender Pensions Gap (GPG), including progress with the research commissioned jointly with Westminster City Council
- Review of Funding Strategy Statements
- 2025 local fund valuation summary report
- MHCLG benefits policy update
- Administration complexity and performance

- Committee workplan

The Board agreed the recommendation to take forward the proposal for the calculation of the cost control basis as the consumer price index (CPI) plus 2.8%.

On MHCLG's review of regulation 64a (review of rates and adjustments certificate: scheme employer contributions), Rosanna shared that due to the political change ongoing, the estimated timing for issuing a principles-based consultation would now be September 2026.

The Board noted the update from the committee.

13. 2027/28 SAB BUDGET (CONFIDENTIAL)

The Board received Paper K which updated the Board on how the proposed budget for 27/28 was being developed. The paper contained detail of the resources needed to deliver the planned workstreams as well as savings from those that were coming to an end. The Board noted with concern that while there was a clear business case to expand the Secretariat team, this was hindered by the considerable uncertainty that still arose from the restructuring exercise being undertaken by the Local Government Association(LGA).

Proposals were agreed which included budget increases to support taking on additional staff within the secretariat team. This was justified as the Board was busier than ever and there was increasing demand for support from funds.

Noting that the figures quoted in paper were only modelling options (as opposed to an attempt at forecasting particular trajectories) the Board considered the potential options for future funding of the peer support offer as it was grown and eventually rolled out. The Board asked for more consideration of the two main funding options: one for all of the peer support activity to be funded from the levy and the other for costs to be met from the fund receiving the peer support. It was agreed that the budget paper brought to the November meeting would include the pros and cons of both options plus a clear recommendation. It was hoped that if the pilot went ahead then this would also help inform the Secretariat's thinking.

ACTION – That the secretariat develops an evidence base for future model options for the peer support programme.

14. ANY OTHER BUSINESS

There was one minor item of AOB from the secretariat team which, due to the meeting over-running, would be dealt with by correspondence. No other items were put forward.

15. DATES OF NEXT MEETING

The date of the next meeting is 23 November 2026 at 1.30pm to be held on a hybrid basis on Microsoft Teams and at 18 Smith Square, London.

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