Cost Management, Benefit Design and Administration (CMBDA) Committee
9 November 2026 11.00am
Jamieson Room, 18 Smith Square, London and Microsoft Teams

Paper A: Actions and agreements of meeting held on 6 July 2026

Present

Kev Gerard	Practitioner – Dyfed Pension Fund
Simon Taylor	Practitioner – West Midlands Pension Fund
Emma Mayall	Practitioner – Greater Manchester Pension Fund
Paul Guilliotti	Practitioner – Richmond and Wandsworth Pension Fund
Glyn Jenkins	Member representative (UNISON)
Richard Lane	Academies representative
Richard Paul	Higher Education representative
Becky Durran	Actuaries representative – Aon
Melanie Durrant	Actuaries representative – Barnett Waddingham
Michelle Doman	Actuaries representative – Mercer
Matt Gurden	Government Actuary's Department (GAD)
Garth Foster	Government Actuary's Department (GAD)
Jenny Bullen	Government Actuary's Department (GAD)
Richard Warden	Actuaries representative – Hymans Robertson
Ben Lavelle	Ministry for Housing, Communities and Local Government (MHCLG)
Will King	MHCLG)

Secretariat

Clair Alcock	Local Government Association (LGA) – Board Secretary
Lorraine Bennett	LGA – Principal Pensions Adviser
Jeremy Hughes	LGA – Senior Pensions Secretary
Sophia Chivandire	LGA – Pensions Policy and Support Officer

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1. WELCOME, APOLOGIES, INTRODUCTIONS AND DECLARATIONS OF INTEREST

With the agreement of the Committee, Clair Alcock chaired in the absence of George Georgiou. She welcomed all in attendance to the meeting and there were apologies from George Georgiou (GMB), John Neal (Unite), Robert Bilton (Hymans Robertson), Matthew Trebilcock (Gloucestershire Pension Fund). Becky Clough, Ona Ehimuan and Sarah Tingey were absent from the secretariat team.
There were no conflicts of interest declared.

2. ACTIONS AND AGREEMENTS FROM PREVIOUS MEETING

The minutes of the meeting on 6 July 2026 were agreed as a fair and true record of the meeting.

3. LOCAL GOVERNMENT PENSION COMMITTEE (LGPC) UPDATE

Lorraine Bennett (LB) introduced paper B to the committee which gave an update of key LGPC workstreams.

The two recommendations from the National Pension Officers' Group were explained by LB. The first recommendation was accepted without discussion. The second, which concerned removing the need for a written election to defer benefits on reaching normal pension age, was approved on the understanding that the basis of all decisions would still be properly evidenced.

The committee also welcomed that legal advice was being taken on the question of eligibility for cohabiting partner survivor benefits, where the scheme member was not living with the partner at the time of death (e.g. because they were in residential care). Glyn Jenkins (GJ) said that Unison had also taken legal advice on this point and it would be worth comparing the opinions received.

A question was also raised regarding payment of death grants where the nominated beneficiary was in prison. It was noted that some administering authorities are uncertain about the appropriate approach in these circumstances and Emma Mayall (EM) said she would write to the Board on this matter.

It was noted that most funds would not hit the targets in statutory guidance for reviewing and correcting survivor benefits to address the changes made under the Access and Fairness proposals. This was largely due to software issues, as was the case with McCloud rectification, but LB said that work to address this was ongoing.

The committee also discussed the factor revision process that was triggered by the SCAPE rate change, and the appropriateness of transitional measures in situations like this. GJ expressed concern that members would be adversely affected by the changes to early retirement factors, with very little time to adjust their retirement planning. He expressed the view that the process should have been more transparent and included member representatives so they could have advised members as to what was likely to happen and when. The secretariat had similarly proposed that there be a documented process in place to manage expectations on all sides. Will King (WK) recognised that the process could be improved for the future and said that he was open to discussing this further outside the meeting. However, it was not possible to delay or change the implementation of these particular changes.

There was a request for administering authorities to inform their members that from August 2026, HMRC will be contacting around 1 million eligible individuals directly about the low earner's pension payment, previously referred to as the low earner's anomaly. This payment makes sure low earners achieve similar outcomes regardless of the type of workplace pension scheme they are in. This was published in the LGPC June 2026 Bulletin.

ACTION – that WK discusses the introduction of a documented policy or process to follow at future factor reviews

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4. HMG COST CONTROL MECHANISMS (2024 VALUATION)

GAD presented the 2024 scheme cost valuation and cost control process. The committee were reminded that some assumptions would be set by HM Treasury (such as the discount rate, which would be the SCAPE rate, currently CPI +2%) while others would be set by MHCLG to reflect particular scheme experience.

GAD shared with the committee in confidence some of the analysis, which also reviewed how well the assumptions made at the previous valuation had held up against experience. In setting assumptions GAD said that they would be led by the data. GAD confirmed that while this initial work was confidential, their completed analysis will be published and will inform the advice to ministers. It was expected that advice would be submitted by GAD in the next few months.

It was noted that while the increase in SCAPE rate since the 2020 valuation meant that the assessment of scheme cost under both the core cost cap and economic check were likely to fall, there was very little chance of their being a breach of the +/- 3% corridor in the same direction with the core cost control process and the economic check. Hence it was not expected that there would be any recommendation for a change in benefits or contribution rates.

On the parallel SAB cost evaluation process, Matt Gurden from GAD explained that the Board's policy to date had been to stick closely to HMG assumptions and only diverge from it where there was a good reason for doing this. The committee agreed that it was appropriate to follow that precedent.

However, there was some discussion of what the appropriate discount rate should be. Previously this had held at the same rate since the 2016 valuation at CPI +2.8%. Alternative approaches had been discussed, such as following SCAPE or the average fund real discount rate from the most recent local valuations. Both of these would introduce more volatility. However, it was agreed that for an open defined benefit scheme with strong employer covenant, it would be defensible to set a discount rate that was higher than gilts or even the SCAPE rate. It was agreed to consider this further outside the meeting and come to the Board meeting with an agreed recommendation.

A question was raised as to whether GAD's assumptions take account of the potential impact on the total workforce (and hence active member base) due to Local Government reorganisation (LGR) and increased digitalisation of services. GAD confirmed that there is no explicit allowance for these developments within the current assumptions, as their impacts are not yet sufficiently evidenced. Their effect will be monitored and reflected in future valuations where appropriate.

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5. 2025 LOCAL FUND VALUATION SUMMARY REPORT

The committee noted that the local fund valuation summary report had been completed by Barnett Waddingham (on a pro bono basis). The Secretariat reminded the committee that all source data is in the public domain and the analysis has also been shared with fund actuaries.

The committee found the analysis helpful and asked whether the consistency of funding levels and contribution rate setting over time for individual funds could be included in the analysis. It was agreed to add charts showing this into the document which would be published ahead of the Board meeting. The secretariat would aim to get this published as soon as possible.

POST MEETING NOTE – This report was published on the Board's website on 14 July.

6. REVIEW OF LOCAL FUND VALUATION REPORTS (s13)

In relation to GAD's review of local valuation reports (Section 13), it was noted that the Minister had asked GAD to consider in particular the methods being adopted by fund actuaries for managing risk and reflecting the long-term funding objectives of the scheme. In what seemed to be an increase in the scope of their work, GAD had also been charged with looking at whether pension funds and their actuaries had engaged effectively with employers on the setting of contribution rates, and whether information was being provided to them in a way that is comprehensible to the lay reader. GAD reminded the committee that it aimed to publishing its Section 13 report next spring, an acceleration of previous timetables.

7. REVIEW OF FUNDING STRATEGY STATEMENTS

Jeremy Hughes (JH) introduced this item. The committee were invited to contact the Secretariat with any comments or feedback on the paper and any suggestions they have to improve the FSS guidance. The timeline for this would be to have revised funding strategy statement guidance ready in advance of the 2028 local valuation round.

8. REVISION OF RATES AND ADJUSTMENT CERTIFICATES

Ben Lavelle (BL) introduced this item and said that what follows was based on current ministers' views and so was potentially subject to change if as expected there was a change in Prime Minister. He said that their intention currently was to issue a principles based consultation on revision to Regulation 64A (Revision of

rates and adjustments certificate: scheme employer contributions), so one unlikely to include detailed regulatory amendments. Initial discussions had already been had on this with different stakeholders, and the focus was likely to be more on improving the process and clarifying that temporary changes in market conditions should not be considered a trigger. It was agreed that MHCLG officials would keep the secretariat informed of developments with new ministers and engage with them once the policy direction was confirmed.

9. GENDER PENSIONS GAP UPDATE

JH introduced the report to the committee and updated them on progress with a joint GPG research project with Investors for Purpose and Westminster Pension Fund. This was being co-funded by the Board, Westminster Pension Fund and Hymans Robertson.

Bruna Bauer (BB) from Investors for Purpose reported that the qualitative research had been completed, with 30 interviews with staff members about their attitudes to the pension scheme and to saving more generally. There were significant differences in financial literacy, in attitudes to saving but also in (necessary) financial discipline. It seemed that while retirement goals for members were quite clear, they did not have such a clear path to achieve them. It was hoped that this qualitative work would help inform future communication about the scheme and help staff make informed choices.

The quantitative research (looking at ethnicity and disability pension gaps) was also proceeding well and a final report is expected in September 2026. It was noted that scheme design had a very significant impact on equality of outcomes, with the CARE scheme being much fairer than the historic final salary benefits. It was agreed to consider equality arguments as part of the wider work to outline factually the benefits of the scheme over other models, such as defined contribution saving schemes.

10. MHCLG BENEFITS POLICY UPDATE

The committee heard from MHCLG officials about the timetable for putting into effect the changes consulted on as part of “Access and Protections”, including New Fair Deal. A consultation on draft regulations and guidance was aimed to be undertaken before the end of the calendar year, with a target date for new arrangements coming into force of 1 April 2027.

A question was raised regarding employers pre-empting the implementation of the New Fair Deal provisions before the regulations come into force, and whether the

provisions could subsequently be backdated to the date the draft regulations were published. The Department advised that it would first need evidence that this is occurring in practice and that it is sufficiently widespread, noting that retrospective changes would present legal challenges.

11. ADMINISTRATION COMPLEXITY AND PERFORMANCE

Will King (WK) confirmed that the effectiveness of scheme administration was a major priority, now that the Fit for the Future regulations and guidance were issued. WK noted that the regulations make a pension administration strategy mandatory for administering authorities and require them to act in accordance with guidance issued by the Secretary of State. Officials would be developing that statutory guidance. As well as the existing focus on working with employers, the guidance would address accountability and highlight cyber risk. WK noted the need to work with CMBDA to develop that guidance.

Clair Alcock (CA) noted the overlap with existing Compliance and Reporting Committee workstreams and suggested setting up a working group that drew on the knowledge and understanding of the two committees. In order for the new guidance to be produced using a collaborative approach, the committee agreed to set up a working group that would have representation from beyond the committee – including third party administrators and software providers – and report to both committees in parallel.

12. VIRGIN MEDIA CASE RESOLUTION

The Committee received a reminder of why the judgment in this case created legal risk and potentially changes to scheme rules. With the passing of the Pension Scheme Act 2026 there was now a pragmatic remedy to retrospectively address these concerns. However, developing that remedy could be time-consuming for GAD and there was not a set date by which it would be achieved.

Members noted the importance of achieving a timely resolution to this, particularly as some auditors are expected to raise the matter with administering authorities as part of the accounts clearance process, which is already underway. The Committee impressed on GAD the importance to them of resolving the issue as quickly as possible.

13. COMMITTEE WORKPLAN

Jeremy Hughes (JH) introduced paper F to the committee which gave an overview of the key workstreams expected for 2026. The workplan would remain agile to

respond to priorities as they arise. With the addition of an item to reflect the work on preventing employers offering incentives to leave LGPS, it was agreed to submit the 2026 workplan to the Board for approval.

14. – AOB AND DATE OF NEXT MEETING

There were no items of other business.

The date of the next meeting was confirmed as 9 November 2026 at 11am.

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