

Scheme Advisory Board

HYBRID MEETING – 21 July 2025

1.30pm – 3.30pm

Beecham Room, 7th Floor, 18 Smith Square and MS Teams

AGENDA

Item		Paper	Timings
1	Welcome, apologies and introductions		1.30
2	Meeting protocol and declarations of conflicts of interest		1.35
3	Actions and Agreements from meeting of 24 March 2025	Paper A	1.40
4	LGPC update	Paper B	1.45
5	Access and Fairness consultation: proposed SAB response	Paper C	1.55
6	Fit for the Future consultation outcome	Paper D	2.05
7	Website upgrade project and communications update	Paper E	2.15
8	Risk Register	Paper F	2.25
9	Board and Committee Membership	Paper G	2.35
10	Compliance & Reporting Committee report	Paper H	2.45
11	Cost Management, Benefit Design and Administration Committee report	Paper I	2.55
12	Investment Committee report	Paper J	3.05
13	Board Budget 2026/27 and Medium Term Financial Strategy	Paper K - CONFIDENTIAL	3.15
14	AOB and date of next meeting		3.25

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Scheme Advisory Board

Hybrid meeting held on 21 July 2025

Item 3 – Paper A – Actions and Agreements

Actions and agreements – 24 March 2025 – 2.00pm

Present

Councillor Roger Phillips	Chair
Jon Richards	Vice-Chair (UNISON)
Councillor John Beesley	Scheme Employer Representative
Councillor Christopher Weaver	Scheme Employer Representative
Councillor Andrew Thornton	Scheme Employer Representative
Emelda Nicholroy	Scheme Employer Representative (Universities and Colleges Employers Association)
George Georgiou	Scheme Member Representative (GMB)
Garry Warwick	Scheme Member Representative (GMB)
John Neal	Scheme Member Representative (UNITE)
Tommy Bowler	Scheme Member Representative (UNITE)
George Graham	Practitioner Representative (South Yorkshire Pensions Authority)
Kelvin Menon	Association of Local Authority Treasurers representative – ALATS
Nick Kirby	Trades Union Congress (TUC)
Ben Lavelle	Ministry of Housing, Communities and Local Government (MHCLG)
Matt Gurden	Government Actuary's Department (GAD)
Eva Sobek	Scottish Public Pensions Agency (SPPA)
Alan Wilkinson	SPPA
David Murphy	Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
Jeremy Hughes	Local Government Association (LGA) – Deputy Board Secretary
Lorraine Bennett	LGA – Principal Pensions Adviser
Becky Clough	LGA – Board Support and Policy Officer
Ona Ehimuan	LGA – Pensions Secretary
Sophia Chivandire	LGA – Research and Data Analyst
Naomi Cooke	LGA – Interim Head of Pensions and Board Secretary

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Jo Donnelly	Outgoing Board Secretary (Observer)
Clair Alcock	Incoming Head of Pensions and Board Secretary (Observer)
Charity Main	Nominated Scheme Employer Representative for the education sector (Observer)
Cllr George Jabbour	Border to Coast Joint Committee Chair (Observer)
Olusola Aiku	Scheme Member Representative (Observer)

Item 1. Welcome, apologies and introductions

1. The Chair welcomed attendees to the meeting including Cllr George Jabbour, and Olusola Aiku to the meeting as observers. Both exited the meeting for confidential items. Also present as observers were Charity Main who had been nominated to replace Emelda Nicholroy from April 2025 and Clair Alcock who will be the new Board Secretary from 19 May 2025. As incoming representatives, they remained in the meeting for the confidential items. The outgoing Board Secretary, Jo Donnelly, was also present for the meeting including the confidential items along with Naomi Cooke who is the interim LGA Head of Pensions and Board Secretary. Sophia Chivandire who joined the Secretariat team in December 2024 was also welcomed to her first Board meeting
2. Apologies for absence were received from Chris Tansley (UNISON), Gary Delderfield (Evershed Sutherland), Cllr John Fuller (Employer Representative), Cllr Nathan Yeowell (LGPC Chair) and Sarah Tingey (LGA). Teresa Clay (MHCLG) also sent apologies; Ben Lavelle attended the meeting in her place.

Item 2. Meeting protocol and declarations of conflicts of interest

3. The Chair reminded attendees of the hybrid meeting protocol. There were no declarations of interest.

Item 3. Interim arrangements in absence of Board Secretary

4. The Chair informed the Board that Naomi Cooke, Head of Workforce at the LGA, would be acting as the interim Head of Pensions and Board Secretary until the newly appointed Clair Alcock started her role on 19 May 2025.

Item 4. Actions and agreements from 25 November 2024 meeting (Paper A)

5. The minutes of the meeting of 25 November 2024 were confirmed as an accurate record of the meeting. Under matters arising, Ben Lavelle (BL) informed the Board that a new member of staff had been recruited to the MHCLG team and is developing a work programme to be shared with the Board in due course. The Chair informed members that new Funding Strategy Statement (FSS) guidance had been published and thanked the

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working group, including the lead officer Rachel Brothwood, Becky Clough from the Secretariat team as well as MHCLG and Chartered Institute of Public Finance and Accountancy (CIPFA). It was confirmed that the Board sent a letter to the Minister to request that the upper probate limit be raised, and a response was awaited.

6. It was also confirmed that the budget for 2025/26 has been approved by the Minister. A Medium-Term Financial Strategy will be presented to the Board along with an updated Risk Register at the July meeting once the new Head of Pensions is in post.

Item 5. LGPC Update (Paper B)

7. Lorraine Bennett (LB) introduced Paper B to the Board. A response to the Government's consultation on inheritance tax had been submitted by the LGPC team. The Government's response had not yet been received.
8. The implementation of the McCloud remedy is ongoing, and a series of webinars are being held with Affinity Connect. Administering authorities have been given the discretion to not include estimated underpin information in the 2024/25 statements for a particular member or class of members, however the Government has not issued any guidance on when and how to apply this. The administration software systems have not been updated fully yet, so some calculations are being done manually or are on hold which poses an ongoing challenge for administering authorities.
9. An overview of the Government's plans to increase the normal minimum pension age (NMPA) from 55 to 57 from 6 April 2028 was given and the Board was invited to take a stance on issue of protections for existing members. The change which is legislated for in the Finance Act 2022 allows for transitional protection to certain members through a protected pension age (PPA), however without additional explicitly stated protections in the LGPS regulations, members would not be able to take their benefits until age 57 after the aforementioned date. However, putting protections in place for current members would increase administrative complexity and would potentially be discriminatory.
10. George Georgiou (GG) said that communication and clarity from the Government on this issue is needed, adding that it is important to know who and how many will be affected. John Neal (JN) said that Unite would like to see additional protections put in place to cover all members of the scheme and no options should be weakened. Emelda Nicholroy (EN) added that there was risk of further issues if a retirement age of 55 had also been stated in contractual documentation and this was not in line with the change or any additional protection given. Employment contracts would need to be checked to see whether such terms had been included.

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11. Jeremy Hughes (JH) suggested that it may be useful for the Board to seek its own legal advice on this matter adding that if the change also applied to deferred members then there was a need to communicate with them too. Jon Richards (JR) added that it would be sensible for Government to conduct an informal consultation on the options and include the Board before proposals are publicly published. Ben Lavelle (BL) replied that this would be considered and invited the Board to provide a consensus view on the matter. The Chair said that it will be important for the Government to learn from the past in terms of reducing complexity and the Board concluded that MHCLG should bring forward their proposals for the Board to consider before agreeing on a stance.

ACTION – that MHCLG bring forward their proposals on NMPA to the Board.

Item 6. Local Government Reorganisation and the LGPS

12. JH introduced Paper C to the Board which gave an overview of local government reorganisation currently being discussed nationally and the potential impacts these changes could have on the LGPS. On top of the key aspects outlined in the paper, JH added that the current plans presented an opportunity to align with the work being done on fund governance and to give further consideration to the creation of single-purpose LGPS administering authorities.
13. The Board noted that the challenge of local government organisation should not be underestimated with reorganisation of front-line services a huge undertaking. It was important that LGPS issues were also given proper consideration in the process.

Item 7. Fit for the Future consultation: next steps post consultation

14. JH gave an update to the Board on the Fit for the Future consultation. The final draft of the Board's response to the consultation was submitted on 16 January 2025 and had been circulated in advance to the Board for agreement. As the Board's response was drafted and submitted without the opportunity for the Board to meet and discuss (given the tight deadline), the Board was invited to give further comment under this item.
15. Areas that the Board still felt needed further clarity included pool governance, especially relating to conflicts of interests, local growth, role of strategic authorities and guidance to implement the good governance recommendations. On pool governance in particular, the Secretariat has been exploring procuring further legal advice on a series of practical questions. Exact timing for the Government's response to the consultation could not be given by MHCLG representative. The Chair had asked the Secretariat to arrange a meeting to discuss these issues with Pension Committee Chairs and the Minister after the local elections.

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Item 8. Summary of legal advice on fiduciary duty (Paper D – Annex A classified as confidential)

16. Olusola Aiku and Cllr Jabbour as observers left the meeting at this item. JH introduced Paper D to the Committee and highlighted that annex A contained a draft summary of the Secretariat's understanding of the legal advice received from Nigel Giffin KC.
17. Board members agreed that the full advice was extremely useful and agreed that a summary of the advice was also helpful to give an overview of the key principles laid out in the advice. The Board reflected on the need for consistent messages in the advice given, with reference to the separate legal opinion on sharia and LGPS, and it was also raised that Cushon had also provided advice on fiduciary duty, specifically relating to the push from Government to invest more in the UK. The Secretariat undertook to try and get hold of Cushon's advice.
18. The Board agreed that the summary of advice should be published. It was also agreed that more practical guidance for funds was needed on how to obtain scheme member views on the ESG element of the investment strategy.

ACTION – that the Secretariat published the summary of the legal advice on fiduciary in the LGPS

Item 9. Scheme Annual Report 2023/24 – initial findings (Paper E)

19. Becky Clough (BC) introduced Paper E to the Board. The data for the 2023/24 had been collated and sent to the LGA's Research team for quality analysis. The data included in the paper showed the changes in membership along with the breakdown of asset classes and some initial data on the rate of compliance with the new Annual Report Guidance however the latter was still being worked on. Following on from the publication of the guidance in 2024, funds had been asked to publish their reports with a 'best endeavours' approach to complying with the guidance. Further information to be included in the final Scheme Annual Report had been sought from Club Vita and was expected in early April. The Secretariat is now finalising plans to publish the Scheme Annual Report once it has been finalised.

Item 10. SAB Website Upgrade Project and communications strategy (Paper F – confidential)

20. Ona Ehimuan (OE) introduced Paper F to the Board which gave an overview of the Board's plan for the procurement of a new SAB website and high-level plans for a new communications programme designed to further promote the work of the Board. Included at Annex A was the updated plan for the website procurement and at Annex B was the specification for the new website. The

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Chair welcomed the plans saying that it is important to continue to evolve and improve the ways the Board engages with the sector. Members of the Board said that it would be important to assess the effectiveness of the existing communications channels to feed into the ongoing developments. The Board agreed that the Secretariat continue to deliver the updated project plan and continue developing the new communications programme.

ACTION – that the Secretariat continue the work contained in the Website Upgrade project plan and develop a new Board communications programme

Item 11. Board and Committee Membership – Paper G

21. OE introduced Paper G to the Board. The Board discussed and approved all the recommendations within the paper.
22. The Board noted that the second terms of Emelda Nicholroy, Garry Warwick, Chris Tansley and Jon Richards were coming to an end in April 2025 and thanked them for their contributions over the last 10 years. Charity Main who was present at the meeting as an observer had been nominated to replace Emelda on the Board and nominations for the other outgoing members had been requested by the Secretariat.
23. Paper G included principles to be added to the Board's Term of Reference documenting the considerations made when dealing with nominations of new members. The Board agreed with the addition of these principles however said the wording contained in the paper needing adapting to better reflect the nomination practices of member representatives in particular. It was agreed that the Board should submit their comments on the wording by 28 March 2025.
24. At the last Board meeting on 25 November 2024, it was agreed to establish a conflicts of interest register for Board and Committee members and for a summary of this to be published on the Board website. Annex A contained the draft declarations form to be circulated for the collation of the register. The Board noted one edit to be made and subsequently approved the form for usage.

ACTION – that the Secretariat circulate the approved declarations of interest form to all Board and Committee members and that Board members submit their comments on the Board nomination principles to the Secretariat by 28 March 2025

Item 12. Compliance and Reporting Committee (CRC) Report (Paper H)

25. Becky Clough (BC) introduced Paper H to the Board which gave an overview of the key items discussed at the last CRC meeting on 17 February 2025. The Audit Roundtable last met on 9 December 2024 and the Board had

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submitted a response to the Government's consultation on [Local Audit Reform](#), which closed on 29 January 2025. The Committee had also discussed the Fit for the Future consultation and in particular the plans to implement the Board's Good Governance recommendations. The Committee's workplan for 2025 was approved by the Board.

Item 13. Cost Management Committee Report (Paper I)

26. George Georgiou (GGe) introduced Paper I, which gave an overview of the key items discussed when the Committee met on 24 February 2024. The Committee discussed the progress made on the Gender Pensions Gap and Opt Outs. There are plans for a Gender Pensions Gap roundtable to be hosted by the Board to bring together various stakeholders to further discuss the topic.
27. The Committee discussed the 2025 triennial fund valuations, and the associated Section 13 report that the Government Actuary's Department would produce. GGe drew the Board's attention to the [letter](#) from Michelle Warbis, a Deputy Director at MHCLG, concerning the use of interim contribution reviews and looking ahead to the 2025 local fund valuations. At a meeting held with fund actuaries, also on 10 March 2025, the Board was asked to consider issuing a further statement, following on from the [surplus statement](#) and new [Funding Strategy Statement \(FSS\) guidance](#) to provide some guidance to administering authorities. The Board agreed to draft a statement to be published on the Board website.
28. The Board also received and approved the Committee workplan for 2025.

ACTION – that the Board drafts a statement using the principles from the new FSS guidance and the previously published surplus statement to assist with the 2025 triennial fund valuations

Item 14. Investment Committee Report (Paper J)

29. Cllr Andrew Thornton (AT) introduced Paper J to the Board, reviewing the items of discussion from the last Investment Committee meeting on 3 March 2025. Included at Annex A was the revised project plan for the Code of Transparency data project and at Annex B was the Committee workplan for 2025 which was approved. The Board also noted that the RIAG Terms of Reference had been amended to extend the length of Sandra Stewart's (RIAG Chair) term to match that of the Group members. The Board also received and approved the Committee workplan for 2025.

Item 15. AOB and date of next meeting

30. The Chair informed the Board that a letter had been received from the Association of Consulting Actuaries (ACA) requesting that the Board

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considering producing guidance to give greater consistency to exit valuations between administering authority. It was agreed to refer the letter to the CMBDA committee for consideration.

ACTION – that the Secretariat refers the ACA’s letter on the treatment of employers on exit to the CMBDA committee

31. The Board thanked the outgoing Board Secretary, Jo Donnelly for her leadership and commended her contributions to the Board over the last three years after stepping down from the role in February 2025 to become the next Chief Executive Officer of the London Pension Fund Authority.
32. The date of the next meeting is set for 21 July 2025 at 1:30pm.

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ITEM 4 – PAPER B

LGPC UPDATE

Background

1. The Local Government Pension Committee (LGPC) is a committee of councillors constituted by the LGA. It represents local authority interests in dealing with Government and others on local government pension issues. Its work is carried out by the LGPC secretariat at the LGA.
2. The L G PC secretariat also provides an advisory and training service to L G P S administering authorities across the UK. The service is funded by a subscription on LGPS authorities and training income.

McCloud remedy

Annual benefit statements and McCloud implementation

3. We have received a number of queries from administering authorities about:
 - exercising the discretion not to reflect McCloud protection in 2025 annual benefit statements (ABSs)
 - retrospective McCloud calculations
 - whether there has been a breach of the law
 - whether to report a breach to the Pensions Regulator.
4. This topic has also been discussed at the recent round of pension officer group meetings. We provided detailed information for administering on this topic in our June 2025 bulletin.

TPR's statement on McCloud and ABS

5. The Pensions Regulator issued a [statement on McCloud and LGPS ABSs](#) on 19 June 2025. This sets out their expectations in relation to:
 - reflecting McCloud protection in LGPS ABSs this year and in the future
 - exercising the discretion for 2025 statements
 - decision-making and record-keeping
 - plans to ensure McCloud information is included for all members in future years if the discretion is exercised in 2025.

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6. The statement also suggests that, if an administering authority is exercising the discretion not to reflect McCloud in some 2025 statements, they must inform the members affected **before** the statements are issued. We have queried this with TPR:

- In our view, this is not required by the relevant legislation. That requires administering authorities to notify members affected **in** the 2025 statement
- Some administering authorities have already issued 2025 ABSs or are in the process of doing so. If TPR expects administering authorities to issue a separate communication to these groups of members, this will cause disruption and add cost to a process which is already well under way.

McCloud member webinars feedback

7. Affinity Connect has been delivering webinars on McCloud to LGPS members in England, Wales and Scotland since March. Feedback from members who have attended a session has been very positive.
8. Members can currently book a place on webinars in July and August 2025. Further dates will be added to the booking pages on a rolling basis.

Pensions Dashboards

9. The LGA attended the Pensions Dashboards Town Hall event on 9 July 2025. The event was hosted by the Money and Pensions Service (MaPS).
10. A strategic and progress update was provided, with opening remarks delivered by Torsten Bell MP, Minister for Pensions. He confirmed that the State Pension has now completed its technical connection to the dashboards ecosystem. The Minister also confirmed that the Government:
- will give the pensions industry six months' notice before making the MoneyHelper dashboard publicly available
 - is still committed to private sector dashboards.
11. The [approach to consumer testing the MoneyHelper dashboard](#) was also set out at the town hall event. MaPS stated it will work closely with industry to invite customers to take part in testing and will keep industry updated with the progress.

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Legislation planned in response to the Virgin Media judgment

12. The Government has confirmed that it will bring forward legislation to deal with issues arising from the [Virgin Media v NTL Pension Trustees](#) judgment.
13. The High Court ruled in 2023 that amendments of pension schemes rules in respect of Section 9(2B) rights were void unless the scheme actuary certified that the scheme still met the contracting-out adequacy test. The Court of Appeal considered one area of the ruling in 2024 and upheld the High Court's decision.
14. The Government will introduce legislation to allow pension schemes to obtain actuarial certification retrospectively. You can read more about [Retrospective actuarial confirmation of benefit changes](#) on the GOV.uk website.

Training and Development

Qualifications

15. The Certificate in LGPS Administration is an LGPS specific level 3 pensions qualification which is run by the LGA. The pilot began in April 2025. The students attended their first tutorial in May 2025. Feedback from the tutorial was positive. The tutorial was recorded for students to rewatch as part of their revision.
16. The first exam took place in June 2025. 34 of 36 students passed the first exam at their first attempt. The resit took place one week later. One student passed at the resit.
17. The second cohort of students will begin studying in September 2025. The capacity for cohort two has increased to 54 students. The 54 students represent 19 different funds. We were able to fill this cohort without advertising more widely. We already have 12 funds registered for cohort three which will begin in April 2026. We have retained a cap of four students per fund per cohort in the interest of fairness. We will consider offering additional places to funds if a cohort is not Recommendation

Fundamentals training

18. Pension Fundamentals is a bespoke three-day training course predominantly aimed at councillors and others who attend pension committees/panels and local pension boards.

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19. The course provides a scheme overview and covers current issues in relation to administration, investments and governance of the Local Government Pension Scheme (LGPS). The course also provides valuable networking opportunities. All sessions are delivered by experts in their field.
20. We have confirmed the locations and dates for the 2025 training, and they will be available to book from the end of July:

Table 1: Fundamentals training 2025

Day	Date	Location or online
Day 1	8 October	London
Day 1	14 & 21 October	Online
Day 2	5 November	London
Day 2	13 & 20 November	Online
Day 3	3 December	London
Day 3	9 & 16 December	Online

New websites for LGPS administrators and employers

21. We have started a project to develop new websites for LGPS administrators and employers in England and Wales and Scotland. These will replace the existing websites:
- www.lgpsregs.org
 - www.scotlgpsregs.org.
22. We are keen to work with stakeholders as the project progresses to hear how they use the current websites, any problems they have encountered with the existing websites and receive feedback on our proposed changes, improvements and new features. We hope to launch the new websites early next year.

Recommendation

The Board is asked to note the contents of this report.

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ITEM 5 – PAPER C

ACCESS AND FAIRNESS DRAFT SAB CONSULTATION RESPONSE

Background

1. The Government issued the [Access and Fairness consultation](#) on 15 May 2025. The main proposals are summarised below. As this is the first time the Board have met since the consultation's release, Board members are invited to contribute their views on the proposals to shape the Board's final intended response.

Survivor benefits and death grants

2. The consultation proposes changes that would implement the Goodwin judgment in LGPS. This will mean that the survivor pension payable to the survivor of a marriage or civil partnership with a member will be calculated in the same way regardless of sex or sexual orientation. The proposals also formally remove the requirement for a signed nomination form in the case of qualifying cohabitee survivors. This is something which administrators have been implementing since the Brewster case and [associated guidance](#) from MHCLG in 2017. These proposed changes both have retrospective effect.
3. In line with the Board's [recommendation](#) in August 2022, the Government proposes to remove the age 75 cut-off on eligibility for death grants. This change would be backdated for all deaths of eligible members on or after 1 April 2014.
4. The consultation also implements the recommendation of the National Technical Group to remove the requirement on administering authorities to pay the death grant to the personal representative where it hasn't been paid within the 2-year limit. This change is proposed to be applicable for all death grants yet to be paid.

Gender Pensions Gap

5. One proposal here is to treat unpaid authorised absences under 31 days as normal pensionable earnings. Also to align the cost of buying back pension lost in an over 30-day unpaid break with standard member contribution rates
6. There is also a proposal to make additional maternity leave, additional adoption leave and shared parental leave during which no pay is received automatically pensionable, with the cost to be met by the employer.
7. Gender pension gap reporting is also proposed to be made mandatory for all LGPS funds, with the results to be reported as part of the triennial local fund valuations. This is to take effect from the 2025 valuation.

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Opt outs

8. The consultation suggest that funds should be required to publish data related to opt-outs in their Annual Reports. The consultation states that the Board will develop a new template opt out form and that the regulations will be updated to require members to use this form.
9. An optional Gov Form will in addition ask members their reasons for opting out as well as for personal and demographic information (e.g., working hours, salary, gender, age, ethnicity, marital status, etc).

Forfeiture

10. Currently, forfeiture can only be considered if a member is dismissed in connection with a conviction for an offence that was “gravely injurious to the State”, or “liable to lead to a serious loss of confidence in the public service”. In line with the previous recommendation of the Board, this proposal removes the requirement that in order to pursue forfeiture, a member must have left employment because of the relevant offence.
11. The proposals also remove the 3-month time limit from the date of conviction to make a forfeiture application and revoke regulation 92 which allows for interim payments to be made to an otherwise eligible member after the issuing of a forfeiture certificate by the Secretary of State but before a decision is made by the employer on the size of the amount to be forfeited.
12. The consultation also sets out that MHCLG will publish forfeiture guidance to assist employers in making applications for a forfeiture certificate.

Other measures

13. The consultation includes various other regulatory amendments to support McCloud remedy (e.g. around divorce and Club transfers), bring in Bereaved Parent Leave and many other beneficial technical changes that have been developed in partnership with Local Government Association (LGA) colleagues from the LGPC team.

Administrative impact of the proposals

14. Considering it proposes making several changes to the operation of the regulations, the consultation recognises that there will be a significant administrative impact of the proposals, However, it does not propose to assess or cover any additional cost generated by the proposals as might be expected under the New Burdens Doctrine. It also asks for views on staggering the implementation of some proposals.

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Board consideration

15. This consultation is generally a hugely welcome step forward in bringing the scheme up to date with various case-law developments as well as getting on the front foot with respect to emerging issues like the Gender Pensions Gap.
16. A good deal of work has gone on behind the scenes already to shape these proposals and the Secretariat have taken the opportunity to discuss the consultation with various forums and technical groups since the consultation launch but this is the first opportunity to obtain Board views to prepare the Board's response. As there will be a significant administrative impact, a detailed technical response is also being prepared by the LGPC team.
17. The Secretariat recommends that the Board adopts the response that is being drawn up by the LGPC team and recommends making some additional points, contained in **Annex A** below. However, we would also like to invite Board members to contribute their views on the proposals to shape the Board's intended response.

Recommendation

That the Board agrees to adopt the LGPC consultation response, that the further Board-specific points included at Annex A are considered and that the Board contribute their views during the meeting to shape the Board response.

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ANNEX A – ADDITIONAL POINTS TO RAISE IN ACCESS AND FAIRNESS BOARD CONSULTATION RESPONSE

Gender Pensions Gap reporting

1. That the Board strongly supports the intention and ambition of the proposals for gender pensions gap reporting but have outstanding issues with the specific definitions and methodology proposed in the consultation. Specifically, what can practically be reported for the 2025 Actuarial Valuation and what should be longer-term aims, and how reporting can be developed and staggered overtime, in consultation with employers. The Secretariat are sharing these issues separately with the GAD and MHCLG, particularly what can be practically achievable for the 2025 Valuation report to keep momentum on reporting.
2. The Secretariat would also like to propose that similar reporting proposals for LGPS should be extended across the Public Sector Pensions Schemes.

Opt-outs

3. The Secretariat supports the intention and ambition of the proposals for administering authorities to report opt-outs but suggest that there should be a parallel duty on scheme employers to provide it (as it is similar to Auto Enrolment responsibilities) and to do so in a prescribed format for comparability.
4. The proposal that the Board will develop a new template opt out form to be prescribed in the regulations. This will need to be added to the Board's workplan and require cross-working with the LGPC technical team to produce and guidance for adoption of the form by Administering Authorities. In addition to this form, it is expected an optional Gov Form will be developed. The consultation states that the information collected on the Gov Form would not be published and would be used in its anonymised state to build an evidence base as to why people choose to opt-out of the scheme. The Secretariat fully supports this and the need to protect sensitive information, however, also feel that there will be some benefit to publishing anonymised data for further analysis at fund level, and potentially by employer type within funds.
5. One challenge to consider is whether the 'optional' part of the opt out form will be sufficiently completed to obtain a significant database of data and the practicality of having an 'optional' form which will be completed outside of the main opt out form.

Administrative impact of the proposals

6. For many years, the scheme has faced mounting administration pressures from both an increase in business-as-usual casework, increased complexity of casework and significant rectification projects such as McCloud. The Board will want to express complete support for

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rectifying inequality and discrimination in the regulations, but it should be acknowledged for some of the proposals, administrators will need to review historic cases and will require updates to software systems. This comes during an incredibly busy time for administrators and software suppliers. To ensure the best scheme member outcome, the Board welcomes that the consultation asks for views on a staggered approach to implementation to ensure the changes are given due time to investigate and implement. However, as raised in previous consultations, the Board may wish to reiterate its view that New Burdens principles should apply to these kinds of changes.

Forfeiture

7. While the Board does support the removal of the three-month deadline from conviction for employers to make a forfeiture application, when that change has been made there is potentially a case for a revised Regulation to govern interim payments. We support the removal of existing Regulation 92, which only applies in the gap between the forfeiture certificate being granted and the ultimate decision by the employer, but given that there would be no timeline at all under the new arrangements, administrators may want some comfort in relation to decisions on how to proceed when a member asks for their pension to be put into payment (or transferred or trivially commuted) while an application for forfeiture is being considered. Board views on that would be helpful.
8. The Board's response should acknowledge and welcome that the government proposes to work with the Board in drafting such guidance, but this will need to be added to the Board's workplan and further understanding on timetable, once known.
9. Also, the Secretariat would want to suggest that the guidance must have sections on due process, representation (including the practical difficulties with that when people are incarcerated) and guidance for employers on how to set the amount to be forfeited in non-financial cases. That feels particularly important for scheme employers which are not treated as public sector for human rights or equality purposes.

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ITEM 6 – PAPER D

FIT FOR THE FUTURE CONSULTATION OUTCOME

Background

1. On 29 May 2025 MHCLG published [its response](#) to the Fit For the Future consultation. The Board [issued a statement](#) in response which expressed welcome clarity on the direction of reform and the commitment to implementing the Good Governance recommendations made by the Board in 2021. However, the Board's response highlighted that the scale and pace of the proposed changes carry significant risks if not managed with *care*. Particularly there is concern about the risks inherent in both the winding up of the existing arrangements for Brunel and Access and the process of accommodating their partner funds in the other pools.

Investment pooling

2. The most pressing issue for the 21 funds who currently participate in the ACCESS and Brunel pools is to make a 'decision in principle' to join a new pool by the end of September 2025. MHCLG have stated that they believe this process is moving ahead well and the conversations so far have all been constructive. However, it is not clear yet whether all funds will be able to achieve the outcome which they desire, given that there are constraints on each existing pool's appetite for further expansion of their partner fund base. The Secretariat continue to maintain open channels of communication and a "watching brief" in relation to this.
3. The associated [Pension Schemes Bill](#) has also now been published and it takes broad powers for the Secretary of State to direct LGPS funds and pool companies as to the development and implementation of their investment strategies. There is very little detail in the Bill, or the associated [Explanatory Memorandum](#) or [Impact Assessment](#), as to how these powers are intended to be used. The SAB will work with the wider LGA pensions team to brief Parliamentarians and try to influence the Bill as it makes its way through Parliament.
4. There was some helpful clarification in the Fit for the Future response around Responsible Investment (RI) policies. This noted that pools would need to respect and accommodate the differing RI policies of its partner funds. A key issue will be managing the complexities between delivering value for money on investments and delivering on differing responsible investment policies. This task may be easier in relation to climate risk but more difficult in developing a defined stance on RI issues where the focus and concerns are more varied, such as biodiversity, human rights issues and war/conflict. Potentially further guidance will be needed on how pools should manage differing RI policies between their partner funds.

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Pool Governance

5. In relation to pool governance, the response said:

“The government will not ... require a specific model of pool governance, but will work with the SAB, pools and AAs to develop guidance on ensuring that governance works for pool shareholders and clients.”

6. The response also recognised that there were good reasons for some differences in governance, for example in how partner funds are represented on the board of a pool company and that there may also be differences based on whether the fund was participating as a shareholder or a client (although we understand all pools will be established on a shareholder model). Guidance might therefore be helpful in offering an analysis of different approaches and identifying emerging best practice.
7. The Investment Committee also considered what guidance might usefully cover. Their view was that this should be best practice guidance around a range of governance issues and not limited to simple compliance with FCA requirements. The kinds of issues that it might usefully address include:
- How conflicts of interest should be identified and managed;
 - The process by which, individual pool company Board members, the pool Board as a whole and the pool Chief Executive can be held to account;
 - Whether it is necessary to design “exit strategies” in the event of pool failure or a breakdown in relationships between funds;
 - How the interests of members and other employers are factored into the governance structure.
 - The role for oversight services which would be contracted by partner funds (either individually or collectively) to provide assurance that the pool is effectively delivering the funds’ investment strategy
 - The changing role, and associated knowledge and skills required, for local pension committee members and advisers.
8. Given this work will need to reflect the perspectives of a range of fund and pool representatives, the Investment Committee has agreed to establish a mixed group (including pool, fund and member perspectives) to provide input to drafts as they are worked on with officials at MHCLG.

Local Investing

9. The Government response also confirmed that all funds need to set a strategy and investment target in relation to local investment. The Pensions Bill defines local investments as *“investments in, or for the benefit of persons living or working in the scheme manager’s area, or the areas of the other scheme managers participating in the same asset pool company as the scheme manager”*. However, the consultation response does say that *“It should have some quantifiable external benefits to the*

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area in question, including economic growth, environmental benefits or positive social impact”.

10. Funds will also need to report on levels of investment and the associated outcome, although funds will be given a choice of metrics which will make aggregation across the scheme challenging. The response sets out a role for the Board in offering guidance on the reporting duty but more information is needed on the intended reporting metrics and how best to obtain views on that.
11. The Government is also in the process of establishing strategic authorities across England under the Devolution agenda. There will be a duty to build collaboration between these authorities and LGPS funds (and pools), with a view to aligning with or helping to deliver local growth plans. Further guidance is expected on how this will be achieved in practice and in any case, time will need to be allowed to develop the kinds of effective regional relationships that have worked in more established areas.
12. Another function of local government reorganisation is potentially the establishment of single purpose authorities, on the existing county geographies or larger, which is something the Board has previously approved of.

Governance

13. Please refer to **Item 10 Paper H (the CRC report)** for detail of how the fund-level governance proposals are going to be taken forward.

Role for the Board

14. There will be various additional workstreams that the Secretariat will need to engage with MHCLG officials on or that we expect that MHCLG officials will take the lead on, in particular making the associated changes to the 2016 LGPS Investment Regulations and the accompanying statutory guidance. However, we expect to be asked to input to the drafting of these, with a target of initial guidance and draft regulations being consulted on in the Autumn of this year, with the Government's ambition to have these come into effect by 1 April 2026.
15. In doing so, the Secretariat will need to draw on the experience and knowledge of LGPS officers and members. This is at a challenging time given that those same individuals are likely to be deeply engaged in their own fund/pool response to the proposals and there may well be sensitivities and some conflicts of interest there which will need to be managed.

Recommendation – that the Board notes the above report and the challenges associated with the Board's role

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ITEM 7 – PAPER E

Website Upgrade Project and Communications update

Background

1. At the last Board meeting, it was reported that a procurement exercise through the [Pensions Administration and Operational Specialist Support Framework](#) had been launched to appoint a provider to develop a new Board website and design new logos for the Board and the LGPS Code of Transparency. It was also reported that the Secretariat are developing a communications strategy with a view to increasing the effectiveness of the Board's communications.

Current position

2. Landscape have been appointed to create a new website and new logos for the Board. The Secretariat have been holding weekly project meetings with them, and initial research has already been conducted by Landscape. The project is currently on target and the new website will be live in November 2025. Currently the project is set to be completed within the budget agreed in the 2024/25 budget. We have been informed by Landscape that further market research will need to be done to shape the development of the new website and the Secretariat is inviting volunteers from the Board to share their views.
3. The updated project plan detailing the revised stages and current progress of the project can be found at **Annex A**

Recommendation – that the Board approves the updated project plan contained at Annex A

Communications update

4. As reported at the last Board meeting, alongside developing the Board's website the Secretariat is reviewing the Board's communications with the intention to create Communications Strategy for Board approval. It is expected that this will be brought to the next Board meeting. In preparation for this, in March 2025, the Board agreed to set up a LinkedIn page which is currently in development. It is expected that the LinkedIn page will be launched at the same time as the Board's new website so it can feature the new Board branding.
5. The Secretariat are organising an inaugural Annual Assembly on 22 October 2025. This event will be hosted in Bevin Hall at the Local Government Association offices in Smith Square and is aimed at both Pension Committee and Pension Board Chairs to attend to receive topical updates. It will also be a key networking event for the Chairs. The agenda is currently being drafted, and the Minister for Local Government has been invited to join. This should

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also meet the Board's previously stated desire to hold a meeting for Local Pension Board Chairs.

6. On 13 May 2025, the Board Chair held a webinar with Pension Committee Chairs to discuss the new pooling arrangements. Seventy-one attendees from funds across England and Wales joined the webinar and were invited to provide feedback to Local Government Minister, Jim McMahon MP, and Government officials on the proposals.
7. The Board held a Gender Pensions Gap roundtable on 18 June 2025 which brought together industry figures and a cross-section of the public sector pensions to discuss the proposals in the Access and Fairness consultation covering the Gender Pensions Gap and wider pensions adequacy issues. The event was attended by over forty people and an overview of some the key takeaways can be found in the CMBDA report at Item 13.

Recommendation: that the Board notes the position set out above and notes the date of the Board Annual Assembly (22 October 2025).

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ANNEX A

SAB WEBSITE PROJECT PLAN

Project timetable

The timetable below sets out the updated key decision points and proposed timescales. The timetable for the project will remain agile to respond to developments as they emerge.

Project stage	Timescale	Required input	Status
Meeting with LGA Digital Team	First meeting on 8 April 2024, subsequent meetings may follow		COMPLETE
Discussion with National LGPS Framework Team	July - August 2024	Correspondence with team to determine whether use of the frameworks could be suitable for delivery of new SAB website. Secretariat review of framework and provider catalogues	COMPLETE
Informal discussions with potential suppliers	Summer/Autumn 2024	Secretariat meetings with potential suppliers to understand what is needed to develop sound specification of requirements.	COMPLETE
Website audit	Summer/Autumn 2024	Secretariat audit of pages on website. Accessibility audit conducted on sample of website pages, along with audit of pages on the website to be kept, archived or discontinued. Usage stats obtained from Google Analytics and Google	COMPLETE

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		Search Console. To be turned over to provider to inform scope of work.	
Board decision	25 November 2024	Secretariat to write and present paper to the Board on findings of research and planned work towards new website for Board approval.	COMPLETE
Spec design	January – March 2025	Various – Secretariat, LGA Digital/Cybersecurity teams, LGA Procurement team	COMPLETE
Process to award contract through National LGPS Framework	March 2025 – April 2025	Various – Secretariat, LGA Legal team, LGA Cybersecurity and IT teams	COMPLETE
Redesign and transfer of content to new content management system	May 2025 – November 2025	Web designer to redesign website according to specification. Secretariat to meet provider periodically for progress updates and testing.	IN PROGRESS – Secretariat holding weekly meetings with provider with project currently on track for timely completion. Discussions on the new site structure, content, page design and logos ongoing. The Secretariat have been presented with options for the new SAB and CoT logos and webpage designs, and the new site map has been agreed. Engagement with stakeholders is also taking place.
New website and new branding launched	End November 2025	Rollout of new website and communications to support launch	

Areas in grey = completed

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ITEM 8 – PAPER F

UPDATE OF THE BOARD RISK REGISTER

General

1. The Scheme Advisory Board has a risk register which is reviewed periodically. The latest version is at **Annex A**. There are three significant changes in the risk profile from the last time this was reviewed by the Board in July 2024.

Risk 8 – Failure or closure of pool company or operating company

2. This was previously judged to be a low risk, but the recent Ministerial decisions have caused us to increase the likelihood of this risk materialising, both before and after possible mitigation. The reasons for this are set out in [the Chair's letter to the Minister](#) following the emergency Board meeting on 9 May 2025.
3. The change in risk rating relates to the scale and pace of the decision to wind up the ACCESS and Brunel pooling arrangements. In the case of ACCESS, that relates more to difficulties in managing the exit from contractual arrangements with their provider, and in the case of Brunel around the winding up of the pooling company which the partner funds have created. In both cases, there are also substantial transitional risks and difficulties in disentangling collective arrangements should partner funds want to move their assets to different pools.
4. There is also a slight increase in the perceived risk in relation to the “surviving” pools, given the precedent which the recent decision creates and the further powers contained in the Pension Schemes Bill. The provision of the Bill would give powers to direct funds to leave a pool or join a new pool at the direction of the Secretary of State.
5. As the time of this report, there is nothing in the Bill which gives reassurances as to the purpose which would be served by such a direction or procedural constraints as to the circumstances in which it would be engaged. While much of that detail would be in regulations, it would be prudent to understand the limits of the intended power before the Bill is enacted. Otherwise, it may prove too late or open the door to unwelcome extensions of the powers under another Government.
6. Possible mitigations for this risk would include a meeting with the Minister for Local Government to make the case for decisions only being taken where there was assurance that they are in the best interests of the scheme and its members. This means not allowing the Minister's ambitious timetable to over-ride the proper due diligence and planning that needs to be done in these circumstances. The Secretariat is also working with MHCLG officials, pool officers and partner funds to share information and monitor progress.

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7. The Secretariat will also liaise with the LGA Public Affairs to brief parliamentarians on the Pension Services Bill when the Bill is debated in Parliament, to try to get some assurances, not least as to process, on the record.

Risk 14 – Accessibility of SAB Website

8. This was previously the highest rated risk identified in the risk register but has since been reduced. Because of this, extra budget was sought and approved by the previous Minister to revamp the Board's website. Part of the specification for that work was to ensure that the new version was compliant with accessibility requirements and also more effectively showcased the Board's work and projects. The specification also included a branding refresh and a contents/structure review.
9. Before now, technical maintenance of the Board's website was managed as part of a contract, held across the wider pensions team, with Webdigi. That will continue to be the case after the revamp, but the team will have a more flexible and user-friendly content management system, that should enable us to keep the site up to date more easily.

Risk 15 – Difficulty recruiting and retaining SAB members

10. This is an ongoing risk, and the Secretariat have slightly increased the risk level post-mitigation because of two factors. Firstly, because there have been a number of departures from the Board and Committee in recent months. This is largely due to the second terms of many members coming to an end. This is an artifact of the Board and Committees all having been appointed at the creation of the Board ten years ago. Due to their being changes in membership for other reasons through the course of the past ten years, the significance of this "anniversary effect" will naturally decline over time.
11. Secondly, we have found that the renominations process involving the Minister has been taking much longer than expected. We understand that this is due to new processes being implemented with government, outside of the direct control of the MHCLG team, in relation to all public appointments. Again, it is anticipated that once these processes bed-in, appointments will be able to be dealt with more quickly and with more predictable outcomes.

Recommendation

That the Board note and approve the changes to the Risk Register

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ITEM 9– PAPER G

BOARD AND COMMITTEE MEMBERSHIP

Selection of a new Board Chair

1. Cllr Roger Phillip's tenure as the Chair of the LGPS Advisory Board will be coming to an end in March 2026, having completed two full terms. The Secretariat have been liaising with the Ministry for Housing, Communities and Local Government who have confirmed that a full public appointments process will need to be undertaken to select a new Chair. The Secretariat will be feeding into the process and will be working over the Summer to gather information and develop key documents to support the recruitment process.
2. MHCLG have raised the topic of remuneration for the new Board Chair. While remuneration could potentially have a positive impact in encouraging a wider range of applications, as far we understand, there was a broad range of applications for the post the first time it became available. The level of remuneration is only likely to be very small and probably not going to be a significant motivation for the cohort of people likely to be able to fulfil the role. Remuneration would also bring other administrative complications, in terms of employment and tax issues, that may over-ride the potential benefits. It is therefore the Secretariat's recommendation that the role remains non-remunerated.

Does the Board agree with this recommendation?

Political Representation on the Board and Committees

3. The 2025 May elections have resulted in a change in the balance of political representation of councillors across the country. The Local Government Association (LGA) as a politically led organisation is in the process of setting up a new political group office for the Reform Party to reflect these changes. The Secretariat believe this is an opportune moment for the Board to reflect on its own political balance and discuss whether changes will need to be made to the elected membership of the Board or the Committees
4. The current political balance of the Board is that the Chair is a Conservative councillor and of the other 5 elected Board members, 2 are Conservative 2 are Labour and 1 is Welsh Labour. No other political parties are represented on the Board.
5. Of the Committees, only the Investment Committee has elected members on it, and both of those are currently Labour councillors (Cllr Thornton as Chair and Cllr Chapman as the LAPFF nomination).

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Board and Committee Membership update

6. Cllr Andrew Thornton's first term on the Board has come to an end and the Labour Group office has been contacted to confirm a renomination or new nomination. Once confirmed this will be sent to MHCLG for approval.
7. As reported at the last Board meeting, Rachel Brothwood has now stepped down from the Compliance and Reporting Committee. A replacement is yet to be confirmed; however, the Secretariat has put an open advertisement in the June edition of the LGPC Bulletin. An update will be brought to the next Board meeting on the outcome of that process. There is also a vacancy on the Committee for a Society of Municipal Treasurers representative and the Secretariat hopes to bring a nomination for this vacancy to the next meeting.
8. Richard Lane has been proposed by the Department for Education as an Academies Representative on the Cost Management, Benefit Design and Administration (CMBDA) Committee replacing Charity Main who has now joined the Board. Emelda Nicholroy was initially approved for this role at the March 2025 Board meeting; however, she has since left Universities and Colleges Employers Association (UCEA). The Education Sectors Employers have also suggested that a Further Education representative on the Committee would be of use and have nominated Richard Paul from UCEA to be considered by the Board for this role.
9. Simon Taylor has been nominated for a second term on the CMBDA Committee as a practitioner representative. Catherine McFadyen (Hymans Robertson) has stepped down from the Committee and Robert Bilton has been nominated as her replacement. Jonathan Teasdale (Aon) has also stepped down and Becky Durran has been nominated to replace him.
10. Tim Gooding from Ballie Gifford has been nominated to replace Piers Lowson as an Asset Manager representative on the Responsible Investment Advisory Group. Gareth Dixon from COSLA has been nominated to replace Jonathan Sharma. There is currently an open vacancy to replace George Graham who has stepped down from the Group.
11. The following RIAG members were approved for a second term by the Board via correspondence on 22 May 2025:
 - Sandra Stewart (Greater Manchester Pension Fund – Chair)
 - Frances Deakin (Local Pensions Partnership (LPP))
 - Ashley Hamilton Claxton (Royal London Asset Managers (RLAM))
 - Sarah Wilson (Minerva)

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- John Neal (UNITE)
 - Graham Cook (Phoenix Group)
12. Sallie Wilson (ACCESS) was also approved as a replacement for Kevin McDonald who stepped down from the Group.
13. John Wiffen has been nominated as the replacement Academies Sector representative following Richard Lane stepping down from the Investment Committee having joined the CMBDA Committee as detailed at paragraph 8.
14. Fiona Miller has been nominated to serve a second term on Investment Committee as an Asset Pool representative.

Conflicts of Interest Register

15. At its previous meeting, the Board agreed to maintain a Conflicts of Interest (Col) Register for Board and Committee members. The Secretariat have since contacted Board and Committee members to request this information and is currently in the process of chasing outstanding forms from Board and Committee members. Once this has been completed, summary information will be hosted on the Board website as agreed at November 2024 meeting.

Changes to the Terms of Reference

16. At the last Board meeting, members were invited to discuss a possible revision to the Terms of Reference (ToR) in relation to the process for seeking nominations. The proposed new principles were sent to the Board for further comment after the meeting and an updated version can be found at paragraph 17. If approved, this will be added to the existing ToR. The Board also discussed the possibility of having a further extension to two five-year terms currently in place for Board members in certain circumstances (for instance - but not limited to - where a sitting union officer is the only possible appointment). The Secretariat has discussed this proposal with MHCLG however they are not willing to agree that for voting members. The current position held by MHCLG is that succession planning should be put in place by nominating bodies to find and prepare suitable members for the Board.
17. An additional change being proposed at this stage is the removal of the requirement that the Vice-Chair of the Board be appointed by the Secretary of State for Housing, Communities and Local Government. This requirement is contained in the ToR but is not reflected or required in the 2013 LGPS regulations and therefore potentially creates a further obstacle to the appointment process.
18. The Secretariat recommends that going forward the Vice-Chair be one of the 12 voting members appointed by the Secretary of State to be

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agreed upon by a unanimous vote of the remaining voting members and the Chair. The Secretariat also invites views at this stage on how the ToR sets out which representative group the Vice-Chair should belong to. For example, it could be stipulated that if the Board Chair is an employer representative, then the Vice-Chair should be a member representative and vice versa. If the Board Chair is an independent member, then there could be two Vice-Chairs (one from the employers' representative group and one from the members').

Is there a preferred process on the selection of the Board Vice-Chair?

Proposed nomination principles (to be added to Board ToR)

19. In liaising with the nominating body, the Secretariat asks (and will document) that the body provides evidence and/or confirms the following:

- Nominee's knowledge of the LGPS
- Nominee's relevant experience and how that relates to the LGPS and the Board's work
- Nominee's involvement and links into other relevant groups
- Where the nominee is an elected member, they should ideally be from an alternative fund to the preceding outgoing member on the Board
- how the nomination process was conducted and how the decision on the specific nomination was taken by the nominating body
- Due consideration of PSED requirements by the nominating body

20. It is recommended that the changes detailed at paragraph 17 are approved whilst the Terms of Reference remains under ongoing review as to suitability.

Recommendation: That the Board approves the recommendations in this paper.

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ITEM 10 – PAPER H

COMPLIANCE AND REPORTING COMMITTEE (CRC) Update

Workplan update – summary of workstreams

1. This paper summarises the agreements and the work undertaken by the CRC and its workstreams since the last Board meeting in March 2024. The Board Secretariat wants to thank all volunteers within each CRC workstream for their continued input into each project.
2. Since the Board last met, the Government has published [its response to the Fit for the Future consultation](#). For the governance proposals, the proposals are to be implemented through amendments to LGPS regulations and statutory guidance. However, the requirement to undertake an Independent Governance Review (IGR), are conditional on progress and final assent being granted to the Pensions Bill.
3. We have been working closely with Ministry of Housing, Communities and Local Government (MHCLG) officials to pull together a project plan for the work, including understanding priorities and some of the contingencies around the passage of the Bill and the drafting plan of the necessary regulatory amendments and associated guidance.
4. When the CRC next meets on 20 October 2025, it has been agreed that an interim progress report will be supplied to allow the Committee to be sighted on progress.
5. At the last CRC meeting, it was commented that there is likely to be a wide-ranging distance to travel across funds to implement the governance proposals.

Audit workstream

6. Since the Board last met, the Government published a response to the consultation for the ['Strategy for Overhauling the Local Audit System'](#) which provided a commitment to the decoupling of pension fund accounts from administering authority main accounts. The audit working group were working with MHCLG on the proposals, the timetable and process for implementation.
7. The audit working group met on 10 June 2025 and also discussed the recent announcement on the [Virgin Media case](#), which was seen generally as a positive development, but more information is still needed to understand how this would impact the LGPS. The Secretariat agreed to organise a meeting of the next Audit Roundtable group, likely for September.

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Good Governance workstream

8. The working group met on 10 June 2025. The working group were asked for views on the prioritisation level of guidance statutory guidance and which of the required individual sections to be drafted first. I
9. The group were informed that there will be three guidance documents produced: Governance Guidance, Training Strategy guidance and Administration Strategy guidance.
10. The Governance Guidance would comprise the following sections:
 - Independent governance review
 - Knowledge and skills requirements
 - LGPS Senior Officer
 - Conflicts of interest
 - Pool governance

Knowledge and Skills workstream

11. The working group met on 9 June 2025 to discuss the Government response to the Fit for the Future consultation. The working group discussed how specific areas would be addressed in the guidance, such as requirements on for voting (and non-voting) members, substitutes, how competency was to be measured and the benefits of producing a skills matrix.
12. The group were informed that MHCLG officials would share the relevant sections covering knowledge and skills of the governance guidance, once drafted, for comment.

Peer Support Offer workstream (project update)

13. At the March 2025 meeting, the Board meeting agreed, the below milestones:
 - November 2024 – Board approval of workstream (**completed**)
 - January 2025 – March 2025 – project scoping, including creation of working group and initial engagement with MHCLG on proposals (**completed**)
 - March 2025 – Terms of Reference and other project documentation proposed to the Board (**completed**)
 - April, June, and September 2025 – working group meetings arranged (**majority completed, September to be organised**)
 - June 2025 – initial findings presented to CRC (**completed**)
 - July 2025 – project update to Board (**completed**)
 - October 2025 – draft framework and models of a LGPS peer support offer, including consideration of budget and other constraints (**ongoing**)
 - November 2025 – project proposal delivered to the Board (**changed to 'ambition'**)

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14. Since the last Board meeting the Peer Support working group have met twice - in April and June 2025. At the April working group, feedback was given from the group on what a LGPS peer support offer could look like for the LGPS. The Secretariat also provided background into the proposals for LGPS specific peer support, the purpose of the working group and an overview of LGA Corporate Peer Challenge (CPC); which explained how the LGA peer challenge works for councils. That discussion was reported to the [CRC when it met in June 2025](#).
15. In line with the project milestones, the Secretariat presented initial project findings and the feedback from both working group meetings at the June 2025 CRC meeting. The Board is asked to note these initial findings at **Annex A**.
16. At the 12th June 2025 meeting, the group discussed the relation of peer support to the MHCLG proposals for an Independent Governance Review (IGR). It is expected that more information about IGR's will be published in statutory guidance. The group also considered the access route into peer support, scope and framework. Although the outcome of the IGR will be one main route, it wouldn't be the only route.
17. The group felt self-referral would be a credible and pro-active option that some funds would take. It would take time to build scale and the idea of a rolling programme for all administering authorities was thought to be aspirational and could be brought in at a later stage.
18. At the CRC held on 23rd June 2025, it was agreed that the Secretariat would draw up plans to undertake some piloting of the offer as "proof of concept", initially be funded by the Board's levy. An amount for this is included in the outline Board budget for 26/27 to be discussed at Agenda Item 13 (Paper K).

Recommendation – that the Board notes the progress made by the CRC on the issues set out above and contained at Annex A of the paper.

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Annex A – Initial findings for Peer Support Offer for the LGPS

Purpose

19. It seems appropriate to learn from (in a proportionate and manageable way) the principles and format of the [LGA](#)'s valued sector-led improvement and assurance offer to LGA member Councils, but tailored to a LGPS context. Recognising however the long-term journey to establish such a process as industry recognisable at the LGA's offering.
20. Peer support offer should help reflect with respected peers on current processes, practices and performance through the lens of good governance and by recognising and celebrating excellence.
21. A standard framework of principles to shape discussions assists in the delivery of a peer support offer, although to meet specific needs should be able adapt and can involve other areas agreed with the organisation receiving the support.
22. Peer support can provide targeted support to help an organisation undertaking their statutory (or non-statutory) duties or plan for change/improvement via a cohort of experienced, skilled and qualified individuals from other AAs.
23. It consists of matching an organisation who wish to learn from others and receive the support provided by peers. The type of support is generally led and determined by the needs of the recipient.

Access and route into peer support

24. It is anticipated there could be various routes for AAs to access peer support:
 - Administering Authorities' self-referring to access peer support
 - To assist with recommendation(s) following an Independent Governance Review
 - Referral made by The Pension Regulator.
 - Rolling programme
25. As demonstrated in the list above, there may be several reasons and routes why an AA may want access peer support. The Secretariat believes it is not helpful to restrict the reasons or circumstances leading into peer support but acknowledges that the Government's proposed IGR will be one determined route, but not the only route. Below are some examples of when peer support could be a support the sector to bring to life the offering. Below are illustrative examples only.

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Example 1

26. A Pension Committee has new membership and with a mixture of new and experienced Pension Committee members. As part of this period of change, the Pension Committee Chair wishes to explore and identify how the current governance structure and procedures compare with similar and varying sized funds. With established and new roles in place, the LGPS Senior Officer believes the fund could benefit from the extensive LGPS network for the newly formed Pension Committee to learn from. This could be to reflect on the funds achievements to date and to establish the ambitions and future needs of the fund, whilst identifying the challenges and emerging issues.

Example 2

27. A new Local Pension Board chair has been appointed, and they want to gauge how the Local Pensions Board has contributed to supporting the Pension Committee in the past and be proactive as to whether it could do so more effectively in the future.

Scope

28. The scope of the peer support is to focus on the pertinent issues affecting that organisation, to reflect on current processes and practice but also to champion change and improvement through good governance and by recognising and celebrating excellence. The ultimate aim and role of peer support is to cover all aspects of LGPS management activity which an AA needs support with and including administration, governance and investments functions. Due to the scale and depth of LGPS fund management, a framework needs to be developed and possibly incrementally to deliver the needs of the entire LGPS function.

Framework

29. It is thought that the specific scope and themes explored in peer support will largely be determined by the specific route into the support (i.e the recommendations made following the Independent Governance Review or an AA self-referring). However, a process framework would need to be developed to provide a starting point for a particular peer support event. This is a key part of the peer support process and which needs to be explored by the Peer Support Working Group. As an example, the LGA's successful peer support program is based around five 'themes which are:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

30. Views are encouraged on the use of themes suitable for the LGPS, how these could be applied to the LGPS or whether new or adapted themes could be used. As an example, an LGPS framework could focus on specific themes such as: People, Management, Processes, Partnership, Decisions and Performance. These are some high-level examples only,

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there is an option to more closely relate these themes to modules in the TPR's General Code or Independent Governance Review criteria (once more is known on that).

31. The Secretariat are continuing to scope out the work involved to create a peer review service and identified the following next steps for 'fact finding' but believe this list will continue to evolve:

- Understand how peer support works for service-specific functions (such as [Planning Advisory Service](#))
- Identifying the potential frequency/demand of peer support offering and funding options*
- Establishing framework options and themes
- Identify administrative support requirements
- Recruitment options and scope for establishing a peer network
- Facilitation support options
- Training requirements of peers

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HYBRID MEETING – 21 JULY 2025

ITEM 11 – PAPER I

COST MANAGEMENT, BENEFIT DESIGN AND ADMINISTRATION COMMITTEE (CMBDA)

CHAIR'S REPORT FROM MEETING – 30 June 2025

Local Government Pension Committee (LGPC) update

1. The Committee received an update from Lorraine Bennett on how funds could use their discretion not to include McCloud remedy in this year's Annual Benefit Statements (ABS). If funds wanted to exercise that discretion, they would need that decision to be reasoned and formally signed off in line with their delegations. They would also need to highlight this decision in any ABSs where it applied. It was felt that [TPR's statement of 19 June 2025](#), which recommended that prior notice also needed to be given to members, wasn't helpful and issued too late in funds planning process, since some ABSs had already sent out.
2. The Committee was also reminded that the connection date for the Dashboard is in October this year, but inclusion of Additional Voluntary Contribution (AVC) data remained problematic. LGPC were working to standardise approaches and get agreement between funds and software suppliers on a solution.
3. The Committee noted the helpful statement by the Government on the Virgin Media case. Officials from the Government Actuary's Department (GAD) confirmed that the Government's preferred solution would be to allow actuaries to retrospectively produce new compliance certificates, where historic ones were not done or weren't available. However, that would require them to review historic membership data and benefits costings, or the imputation of this where that data was no longer available.

MHCLG Update

4. The Committee discussed the Access and Fairness consultation. Generally, the proposals were warmly welcomed, although member representatives wanted to push further on certain issues, e.g. around the survivor benefits available to cohabiting partners under earlier schemes.
5. The Committee queried that no costing for the provisions had yet been produced. MHCLG officials were able to confirm that these had not yet been produced and assumptions around this would be made later, when the final policy decision had been taken. The case for statutory guidance on how to prioritise retrospective benefit recalculations was also pressed.
6. On Gender Pensions Gap (GPG), the Committee welcomed the Government's proposals – both in terms of tangible changes to scheme

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rules (e.g. around changes to how the regulations deal with child-related and unpaid leave) and also the new duty to report the GPG in fund valuation reports.

7. However, the Committee agreed to respond requesting some amendment to the proposals, not around fundamentals, but what is achievable for inclusions in 2025 local fund valuation reports and what should be targeted over a longer timescale. The Committee also reiterated its view that GPG reporting should be mainstreamed across all the public sector schemes.
8. The Committee also noted that the GPG Roundtable event, held on 18 June 2025, had been a great success. The Committee noted its thanks to Becky Clough and the rest of the Secretariat Team for arranging and managing it on the day.
9. Draft LGPC and SAB responses to the consultation would be shared with their respective Boards at their 21 July 2025 meetings.

Association of Consulting Actuaries (ACA) letter on exit valuations

10. The [ACA's letter to the Board](#) had been referred to the Committee to take a view on. Steve Simkins, on behalf the ACA's Pensions in Public Service Committee and co-drafter of the letter was invited to introduce this item. The Committee noted that the new Funding Strategy Statement guidance had been amended specifically to bring greater transparency and openness around the setting of local funding approaches, including in relation to exit valuations. However, it remains to be seen whether this would lead to any greater consistency in the approaches adopted at different funds.
11. The Committee did not feel that further guidance that aimed at standardising approaches across funds was appropriate at this time but decided to keep the issue under review. The Secretariat would take an action to review funds' FSSs when these were finalised to see whether further guidance on this subject was desirable.

Recommendation – that the Secretariat review the revised fund FSSs to see what effect the new guidance has had on consistency of approach to exit valuations.

2025 fund valuations: SAB basis

12. After some discussion of the different options around the choice of discount rate, the Committee agreed to adopt the recommendation in [GAD's advice](#).

United Learning

13. The Chair expressed his concern at the situation with United Learning, an LGPS scheduled employer which was offering its staff an inducement to opt out of LGPS and into an inferior DC scheme. This was being done in a

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way that seemed to exploit a “loophole” in the underlying legislation. It was also being done without offering staff appropriate, independent financial advice and this kind of practice, if replicated elsewhere, could undermine the sustainability of the scheme going forwards. It was agreed to recommend to the Board that it seek legal advice on ways to address this kind of behaviour.

Recommendation – that the Board asks the Secretariat to seek legal advice on ways of ending the practice of employers offering inducements to leave the Scheme.

Committee Workplan

14. The Committee agreed the key workstreams expected for 2025 and therefore asks the Board to approve the workplan below:

Workstream	Details	Action	Timescales
Gender Pensions Gap	The Committee has an agreed GPG action plan for the working group to follow.	See Item 8 Paper C	Ongoing
Opt-out data	Work with MHCLG to devise a system to enable collection and analysis of opt out data	Respond to Access and Fairness consultation	7 August 2025
MHCLG consultation on member benefits	Work with MHCLG on initial proposals Prepare a Board response once the consultation launches	Respond to Access and Fairness consultation	7 August 2025
Normal Minimum Pension Age (NMPA)	NMPA changing in 2028, will there be protection for existing members? Board agreed to review on receipt of LGPC technical paper	Consider role in responding to Board decision	TBC – not clear yet when Government will make policy decision or consult on any necessary changes

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Workstream	Details	Action	Timescales
Review of local fund valuations	To be discussed with GAD and waiting to see if there will be any steers on surpluses or employer contributions from MHCLG	Covered in Item 9 Paper D	Ongoing and awaiting Scottish fund Section 13 outcome due in summer 2025, which may give some indication

Recommendation – that the Board notes the progress made by the Committee on the issues set out above and agrees the workplan.

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HYBRID MEETING – 21 JULY 2025

ITEM 12 – PAPER J

INVESTMENT COMMITTEE REPORT

CHAIR'S REPORT FROM MEETING - 7 July 2025

Ministry of Housing, Communities and Local Government (MHCLG) Update

1. The official present from the Ministry of Housing, Communities and Local Government (MHCLG) informed the Committee that the [Pensions Schemes Bill](#) is currently in Parliament, with the second reading being held on the 7 July 2025. Following on from the [Government's response to the Fit for the Future consultation](#) on 29 May 2025, regulations and guidance would need to be developed. Government is also engaging with funds and pools to support them on the next steps following the outcome of the consultation. It was expected that a consultation on the regulations and guidance would be conducted in Autumn with implementation in Spring 2026. Exact timelines could not be confirmed but it is expected that MHCLG and the Board would be working together on pooling governance guidance.

Fit for the Future – pooling governance guidance

2. The Board commissioned legal advice from Burges Salmon on pooling governance which can be found at **Annex C (CONFIDENTIAL)**. The Committee found the legal advice useful but pointed out that some areas needed further clarification which the Secretariat will go back to Burges Salmon with, before publishing on the Board's website.
3. The Committee discussed the areas that the pooling governance guidance would need to address and agreed that the guidance would need to lay out best practice for governance of oversight for funds to follow under the new arrangements and supplement the other regulatory requirements. It was also agreed that a working group be established to develop the guidance and given that work on this is given priority.

Code of Transparency (CoT) data system

4. The Committee received an update on the rate of template completion and noted that this stood at 98% for 2023/24 increasing from 96% at the last meeting. The rate of completion for 2024/25 stood at 51% at the time of the report, which was low due to the end of the reporting year. It was expected that the rate would rise significantly over the summer as signatories continue to upload to the system. The Secretariat would continue to chase any Code signatories with a high number of late templates.

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5. The Committee also received a paper outlining progress with the ongoing project on the new CoT framework. A founder's group for the framework had been established and had met twice to discuss the scope, funding, governance and timeline of the project. The group is also working on the specification for the new framework. It is expected to commence in April 2026. An updated project plan is at **Annex A** for the Board's approval.
6. As part of the wider work to support the move from a centrally procured CoT data system, a review of the Code is also being carried out. The Committee welcomed that a consultation will be conducted on proposed changes to the Code (particularly if this related to changes on submission deadlines). It is expected that final draft of the Code will be submitted to the Board for approval. A project plan for this piece of work can be found at **Annex B**.

Recommendation – that the Board approves the updated CoT project plan at Annex A and notes the project plan at Annex B.

Responsible Investment Advisory Group (RIAG) Report

7. The RIAG chair gave an update of the last meeting where the group discussed the effect of proposed pooling model on responsible investment (RI) policies and how pools should manage differing responsible investment policies between their partner funds.
8. The group also discussed the issue of local investment and what that looks like for differing funds and how this is reported across the scheme. The MHCLG official acknowledged that this would need to be discussed further but in the vast majority of cases, local investment would mean investment in projects local or regional to the fund.
9. The group were informed that the second instalment of the [legal advice on fiduciary duty](#) had been received from Nigel Giffin KC and published on the Board website. The Secretariat had also published a [summary with the Board's interpretation of the advice](#).
10. The group discussed the Board producing guidance to assist funds in obtaining views of scheme members when producing RI policies and agreed, due to the other work planned for the next 12 months that this would be considered at a later date.
11. The group discussed the FRC's [overhaul of the Investment Stewardship Code](#) which takes effect from 1 January 2026 and removes explicit reference to ESG considerations. It was felt that despite the changes made, the Code still made explicit reference to sustainability which is linked to ESG considerations and when taken as a whole can still be utilised to hold managers to account in this area.

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Recommendation – that the Board notes the report, the CoT framework project plan at Annex A and the CoT review project plan at Annex B. That the Board notes the pooling governance legal opinion at Annex C and for the Secretariat to share the final version with the Board, before publication on the Board website, following the comments by the Investment Committee.

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ANNEX A – CODE OF TRANSPARENCY FRAMEWORK PROJECT TIMETABLE

The timetable below sets out the key decision points and proposed timescales. The timetable for the project will remain agile to respond to developments as they emerge.

Project stage	Current timeline and proposed future timescales	Required input	Progress
Byhiras contract extension and novation	December 2023 - April 2024	Secretariat to write formal notification of contract extension to Byhiras	COMPLETE
CoT system working group	January - February 2024	Members to be selected, Secretariat to arrange meetings and collate findings	COMPLETE
Market engagement prep	February – April 2024	LGA Procurement team to assist with shaping of early market engagement questions	COMPLETE
Early market engagement	24 June – 6 August 2024	Secretariat to schedule meetings with providers and collate feedback to present case to Board	COMPLETE
Survey of funds based on early market engagement findings	9 September – 27 September 2024	Secretariat to devise and issue survey using Survey Monkey	COMPLETE
CoT system working group final meeting	w/c 7 October 2024	Feedback on survey results	COMPLETE
Board executive panel recommendation	w/c 21 October 2024	Send updates/information pack pre meeting	COMPLETE
Update Investment Committee	11 November 2024	Secretariat to update the Investment Committee on the	COMPLETE

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Project stage	Current timeline and proposed future timescales	Required input	Progress
		project and the recommendation being made by the panel	
Board final decision	25 November 2024	Secretariat present paper to Board and invite final decision on future of the system. The final decision will be made by the Board on recommendation from an executive panel comprised of members from the Board.	COMPLETE
Ministerial Budget submission for 2025/26	November 2024	Start-up costs for framework development approved by Minister	COMPLETE
Framework development scoping conversations	December 2024 – April 2025	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders)	COMPLETE
Framework development	April 2025 – April 2026	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders)	IN PROGRESS
Framework launch and transition from Byhiras system	April 2026 – August 2026	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders), fund officers (system users to retrieve	

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Project stage	Current timeline and proposed future timescales	Required input	Progress
		data from Byhiras), Byhiras (to support transitional arrangements and comms)	
Byhiras contract end	30 August 2026		

*Rows in grey indicate stages that have been completed.

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ANNEX B – LGPS CODE OF TRANSPARENCY REVIEW PROJECT TIMETABLE

Project timetable

The timetable below sets out the key decision points and proposed timescales. The timetable for the project will remain agile to respond to developments as they emerge.

Project stage	Proposed timescale	Required input	PROGRESS
Initial review of Code	May – June 2025	Secretariat to make initial comments and tracked changes on current Code document	COMPLETE
Present at Founder Meeting 2	13 th June 2025	NLGPS Founders asked for feedback on draft.	COMPLETE
Update Investment Committee	7 th July 2025	Present early draft to Committee, invite feedback	COMPLETE
Consultation with asset owners and Code signatories	14 th July – 15 th August 2025	Email to stakeholders, collate and review feedback. Update to given to the Board at July meeting (21 st July 2025)	IN PROGRESS
Review responses	w/c 15 th – 22 nd August 2025	Secretariat to review comments and make tracked changes if needed.	
Present at Founders Meeting 4	w/c 8 th September 2025	High level overview of consultation responses and any changes that will be made. Present final draft. Feedback limited to areas of significant issue	
Send final draft to Investment Committee with recommendation	w/c 22 nd September 2025	Send final draft to Committee by correspondence with recommendation that it is passed to	

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		the Board for approval	
Send final draft to Board for approval	w/c 6 th October 2025	Send final draft to the Board and request approval	
Publish new Code of Transparency	w/c 13 th /20 th October 2025, comms rollout in following weeks	Publish on Board website, follow comms programme to raise awareness of new Code i.e. emails to stakeholders, LinkedIn, monthly bulletin, DG magazine, LGPS Live SAB update.	

*Rows in grey indicate stages that have been completed.
