



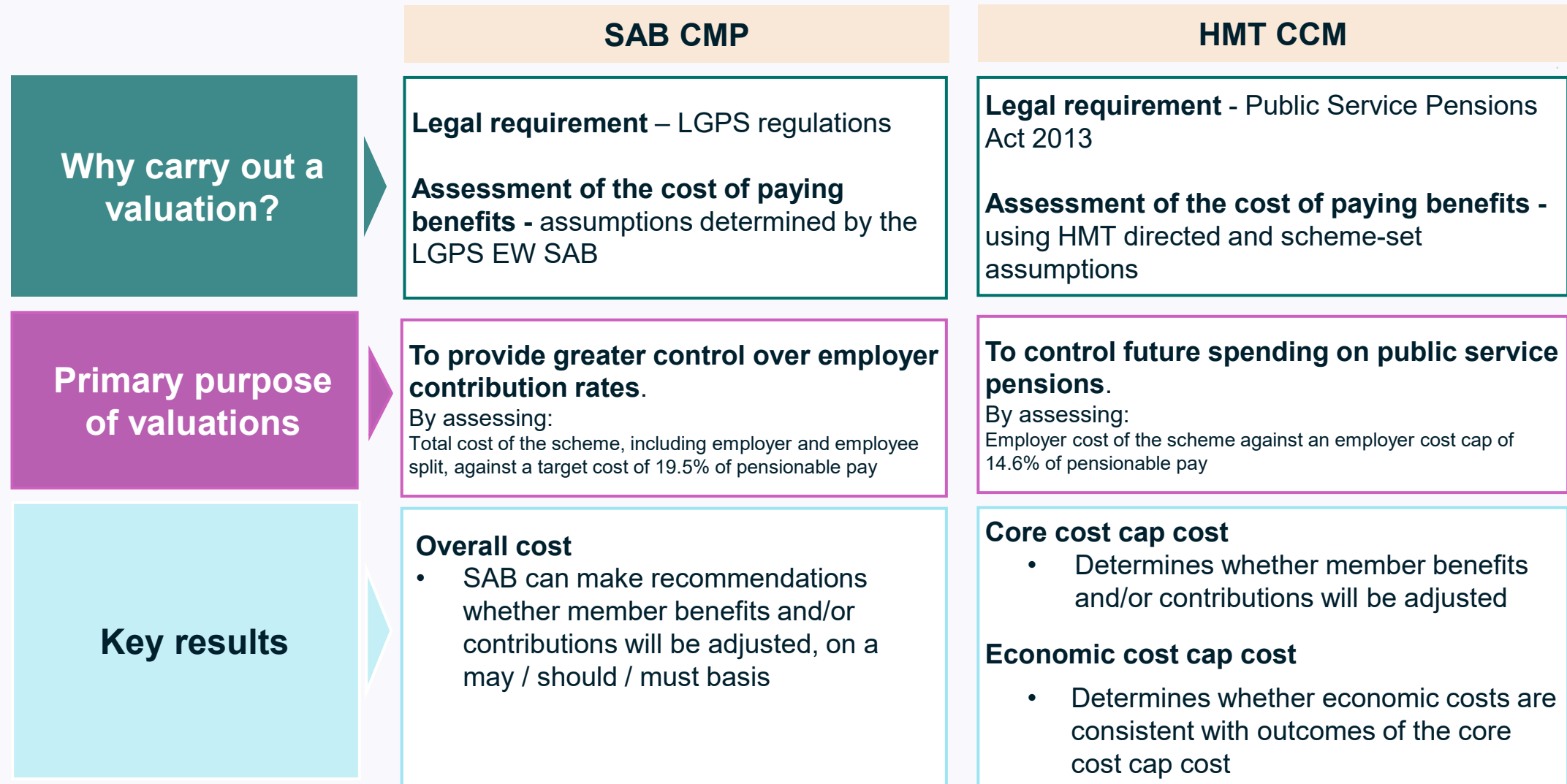
Government Actuary's
Department

LGPS England and Wales

**HMT Cost Control Mechanism (CCM) and
SAB Cost Management Process (CMP)
valuations at 31 March 2024 - update**

Matt Gurden | 24 November 2025

Purpose of the valuations

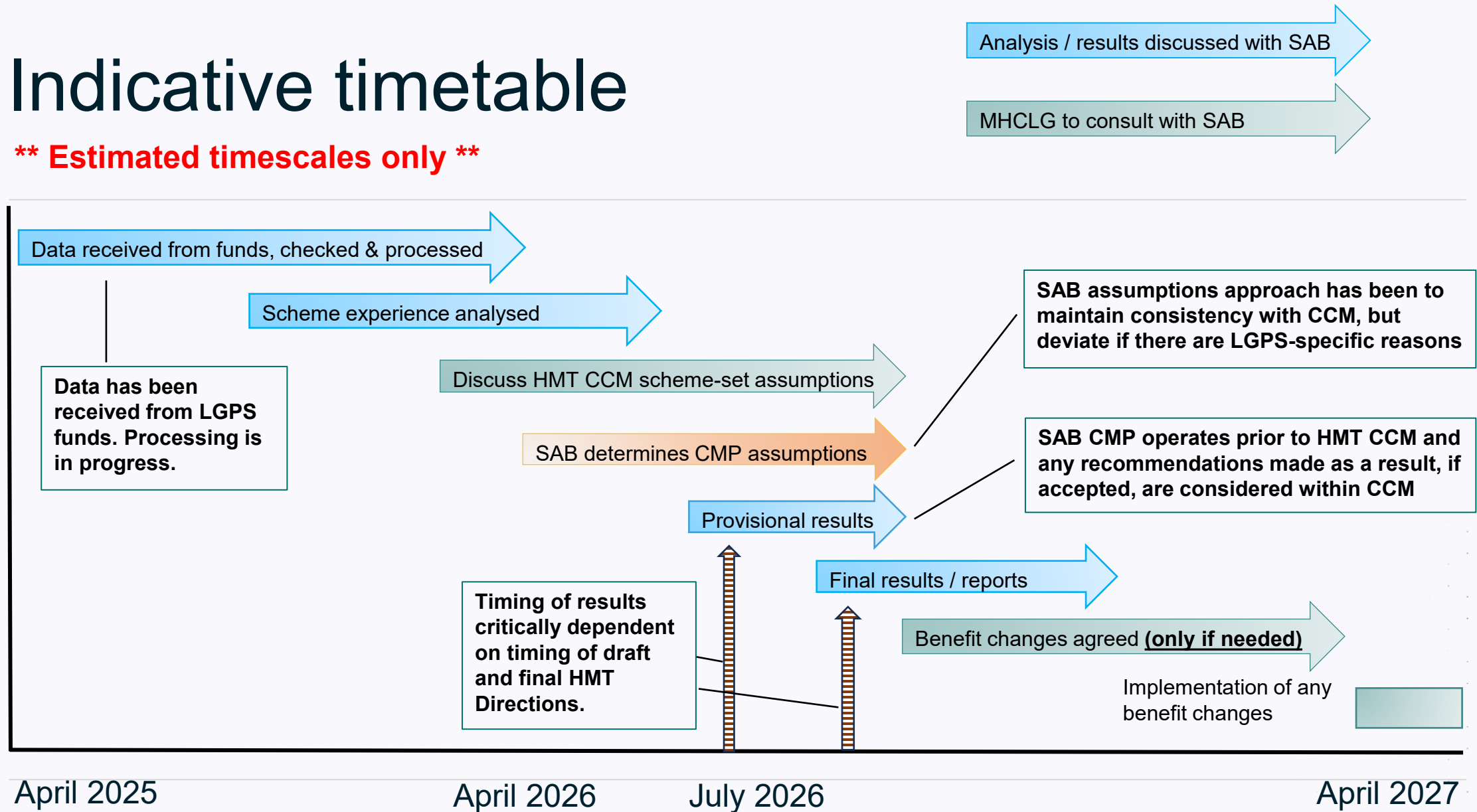


Role of SAB in valuations

	SAB CMP	HMT CCM	
LGPS Regulations	<p><i>‘...must obtain a Scheme cost assessment from the Scheme actuary detailing the overall cost of the Scheme’</i></p> <p><i>‘...the overall cost of the Scheme means the total cost as calculated by the Scheme actuary ... according to such methodology and assumptions as are determined by the Board’</i></p>	<p>SAB is</p> <p><i>‘...board with responsibility for providing advice to the responsible authority, at the authority's request, on the desirability of changes to the scheme’</i></p>	PSPA 2013
		<p>[Scheme specific assumptions]</p> <p><i>‘...be determined following discussions with such persons (or representatives of persons) as the responsible authority considers appropriate’</i></p>	HMT DIRECTIONS

Indicative timetable

**** Estimated timescales only ****



2020 valuations reminder

SAB CMP

Valuation Results Highlights

2 of 41

Highlights

SAB CMP overall cost of scheme



SAB CMP overall cost of scheme

20.5%

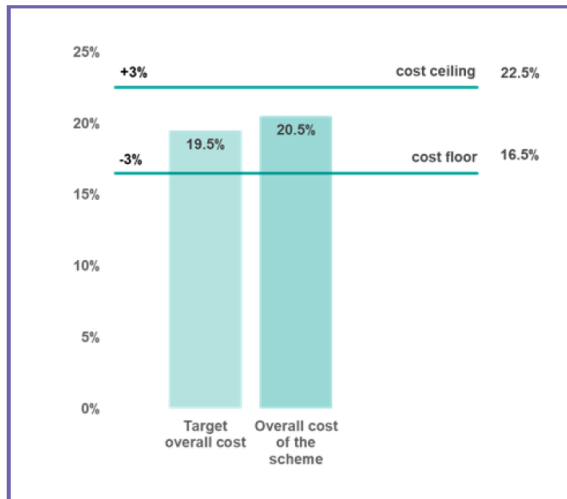
of pensionable pay which is

1.0% above

the 19.5% target overall cost

The overall cost of the scheme lies within a 3% corridor.

As a result, there is no requirement for the Scheme Advisory Board (SAB) to make recommendations to the Secretary of State as to steps to take to bring overall cost back to overall target cost, although they may do so. The SAB have agreed to make no recommendations accordingly.



HMT CCM

Valuation Results Highlights

2 of 74

Highlights

Core and Economic Cost Cap Costs

Core		Economic
11.4%		21.9%
of pensionable pay which is		of pensionable pay which is
3.2% below		7.3% above
the 14.6% employer cost cap		

The core cost cap cost of the scheme lies outside the 3% cost cap corridor.

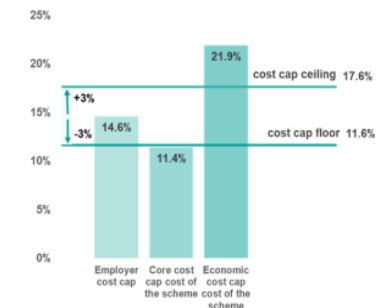
However, when the wider economic situation is taken into account through the economic cost cap cost of the scheme, the **cost cap corridor is not similarly* breached**.

As a result there is no requirement for the Secretary of State for Levelling Up, Housing and Communities to consult on changes to the scheme.

The background to the cost control mechanism is set out in **Appendix A**.

Position within cost cap corridor

The chart below illustrates the position of the core cost cap cost of the scheme and the economic cost cap cost of the scheme against the cost cap corridor.



The results of this cost cap valuation are not used to set the employer contribution rate. Employer contributions are payable in accordance with the rates and adjustments certificates issued as part of the actuarial valuations carried out by each of the scheme's administering authorities.

* In the same direction as the core cost cap cost breach.

Sources: <https://lgpsboard.org/images/CM/SCA%202024%20final%20report.pdf> and https://assets.publishing.service.gov.uk/media/660fe1989f92ac001a516d45/LGPS_England_and_Wales_2020_Valuation_Valuation_Report.pdf



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