

LGPS Scheme Advisory Board Summary note of (hybrid) meeting held on 25th November 2024

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the previous meeting, held on 22nd July, were approved and the main points arising from the meeting are shown below.

The Board considered its response to the [MHCLG consultation](#) which arises from the conclusion of the first stage of the **Pensions Review**. A range of views were expressed in the meeting about the merits of the proposals but there was agreement that the timescale for response was unhelpfully tight, given the Christmas holidays and normal pattern of Local Pension Committee meetings. The Secretariat undertook to provide the Board members with a draft response before Christmas, with a view to publishing the Board's view early enough in the new year for funds to be able to have sight of it before submitting their own responses.

Post meeting note – the Board arranged for a conference call between the Local Government Minister and Pension Committee Chairs on the consultation, and [a note of that call is available for those unable to attend](#).

The Board heard that the LGPC secretariat is working on a response to the **Government's technical consultation on inheritance tax on pensions**. The Chancellor announced at the Autumn Budget that from 6 April 2027 death benefits will be included within the value of a person's estate for inheritance tax purposes. The Board also considered the increasing problems caused about the limits on payment that can be made to a deceased person's personal representatives ahead of probate being granted. Such payments are subject to a limit of £5,000 that has not increased since being set in 1984. The low limit leads to undue delays and costs in releasing payments to families. The Board agreed to write to HM Treasury asking for the limit to be increased to £20,000 (as has been done in Northern Ireland) and thereafter adjusted annually for inflation.

The Board noted that LGPS administrators continue to implement the McCloud remedy. The LGPC secretariat has recently published the second instalment of the McCloud administrator guide and run four webinars to assist authorities with this work. The LGPC secretariat is also working with Affinity Connect on McCloud webinars for scheme members, which will be delivered in 2025. The Board considered its attitude to the increase **in Normal Minimum Pension Age**, which will increase from age 55 to 57 from 6 April 2028. The increase has been provided for in

over-riding legislation. It is up to each pension scheme to decide whether it will provide protections for members who, on 4 November 2021, already had an unqualified right to take their benefits before age 57. MHCLG will need to amend the LGPS regulations for the increase in any event. The Board asked for a technical paper to be brought to its next meeting to consider the options further.

The Board agreed to propose to the Minister its **Budget** for next year. It would propose a Budget of £719,000, which would be a small cash increase but decrease in real terms from last year's budget of £717,500.

The Board discussed the future development of the data system that supports the **Code of Transparency**. The contract for the current bespoke system ends in August 2026 and over the course of 2024 has been engaged in research to inform its decision including establishing a working group of practitioners to explore options and conducting an Early Market Engagement exercise over the summer. A survey was also issued to funds to gather views in September 2024.

The Board remains strongly committed to the Code but felt that a different approach might better match the current needs of funds (due to the successful entrenchment of cost reporting). It was agreed to explore replacing the centrally procured system with a framework approach, together with the [National LGPS Frameworks](#) team, which would continue to offer basic collecting and reporting of cost templates to all funds but allow them to procure data validation and benchmarking services alongside this in a seamless fashion. The Board also agreed to explore additional avenues to promote compliance with the Code and the effective reporting of cost data, including via Board guidance, CIPFA guidance and potential amendments to the LGPS Investment Regulations 2016.

The Board put on record its thanks for all the contributions to the development of new **Funding Strategy Statement guidance**. The Board approved a draft which had already been agreed by CIPFA's Public Finance Management Board. It has since [written to MHCLG](#) asking for the Minister's approval to adopt this as statutory guidance.

The Board also heard from MHCLG officials that they are hoping to consult early next year on a package of measures designed to improve access to and fairness in scheme benefits. That was likely to include picking up from the [earlier consultation](#) on implementation of New Fair Deal, getting a better handle on opt out rates and taking action on the Gender Pensions Gap [identified by the Board](#).

The date of the **next Board meeting** is 24th March 2025.