



THE INSIGHT
SHARING
PENSIONS AND
LIFETIME SAVINGS
ASSOCIATION

LGPS REGULATORY MAPPING



JUNE 2023

THE PENSIONS AND LIFETIME SAVINGS ASSOCIATION (PLSA) IS THE VOICE OF WORKPLACE PENSIONS AND SAVINGS. WE REPRESENT PENSION SCHEMES THAT TOGETHER PROVIDE A RETIREMENT INCOME TO MORE THAN 30 MILLION SAVERS IN THE UK AND INVEST MORE THAN £1.3 TRILLION IN THE UK AND ABROAD. OUR MEMBERS ALSO INCLUDE ASSET MANAGERS, CONSULTANTS, LAW FIRMS, FINTECHS, AND OTHERS WHO PLAY AN INFLUENTIAL ROLE IN PEOPLE'S FINANCIAL FUTURES. WE AIM TO HELP EVERYONE ACHIEVE A BETTER INCOME IN RETIREMENT.



INTRODUCTION

THE LOCAL GOVERNMENT PENSION SCHEME (LGPS) IS THE LARGEST FUNDED DEFINED BENEFIT (DB) PENSION SCHEME IN THE UK, AND ONE OF THE BIGGEST IN THE WORLD. RECENT FIGURES SHOW THAT IT HAS 7.1 MILLION MEMBERS, OVER 15,500 EMPLOYERS, AND ASSETS TOTALLING OVER £425 BILLION.¹

However, there is currently no entity looking at the whole of the LGPS, which is why the PLSA has drafted a strategic ‘regulatory map’ to help external stakeholders understand and navigate the complexities in which the LGPS operates.

The PLSA’s goal is that this map can help ensure the existing framework works in a more joined-up and coherent way; and that it helps highlight why an examination of the benefits of a more centralised approach, which could involve creating a new oversight body or giving an existing body greater powers, would be helpful.

The map is divided into three sections, according to the geographic distribution of the LGPS – England and Wales, Scotland and Northern Ireland. It also contains a heat map of some of the most pertinent issues funds are facing, matching these topics with the entities responsible for these areas, showcasing the complexity of the development of consistent, coherent and clear LGPS policy and regulation.

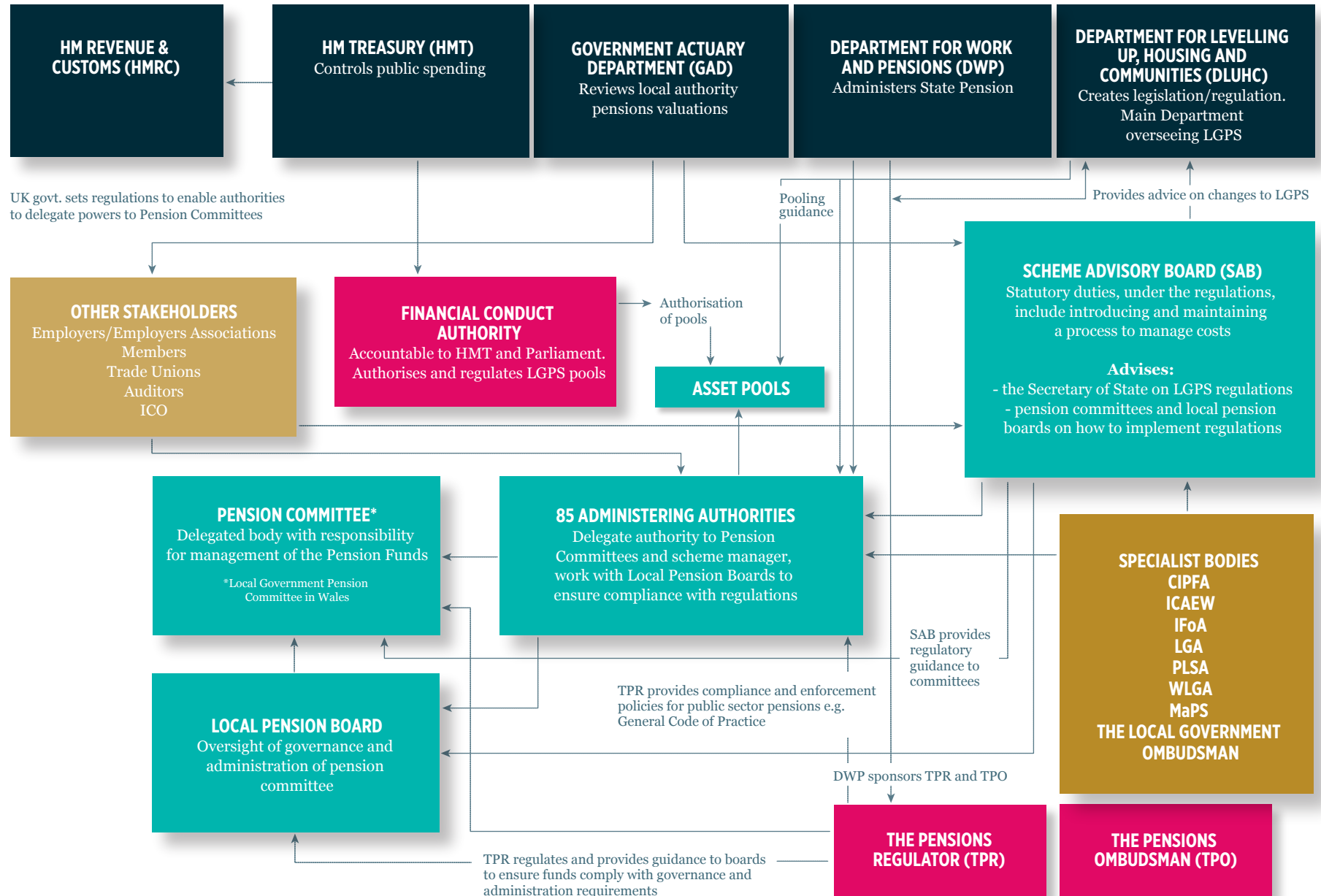
This map also aims to help ensure that the LGPS voice is represented and weighted accordingly in central government decisions, which affect the sustainability of the LGPS and its day-to-day running directly.



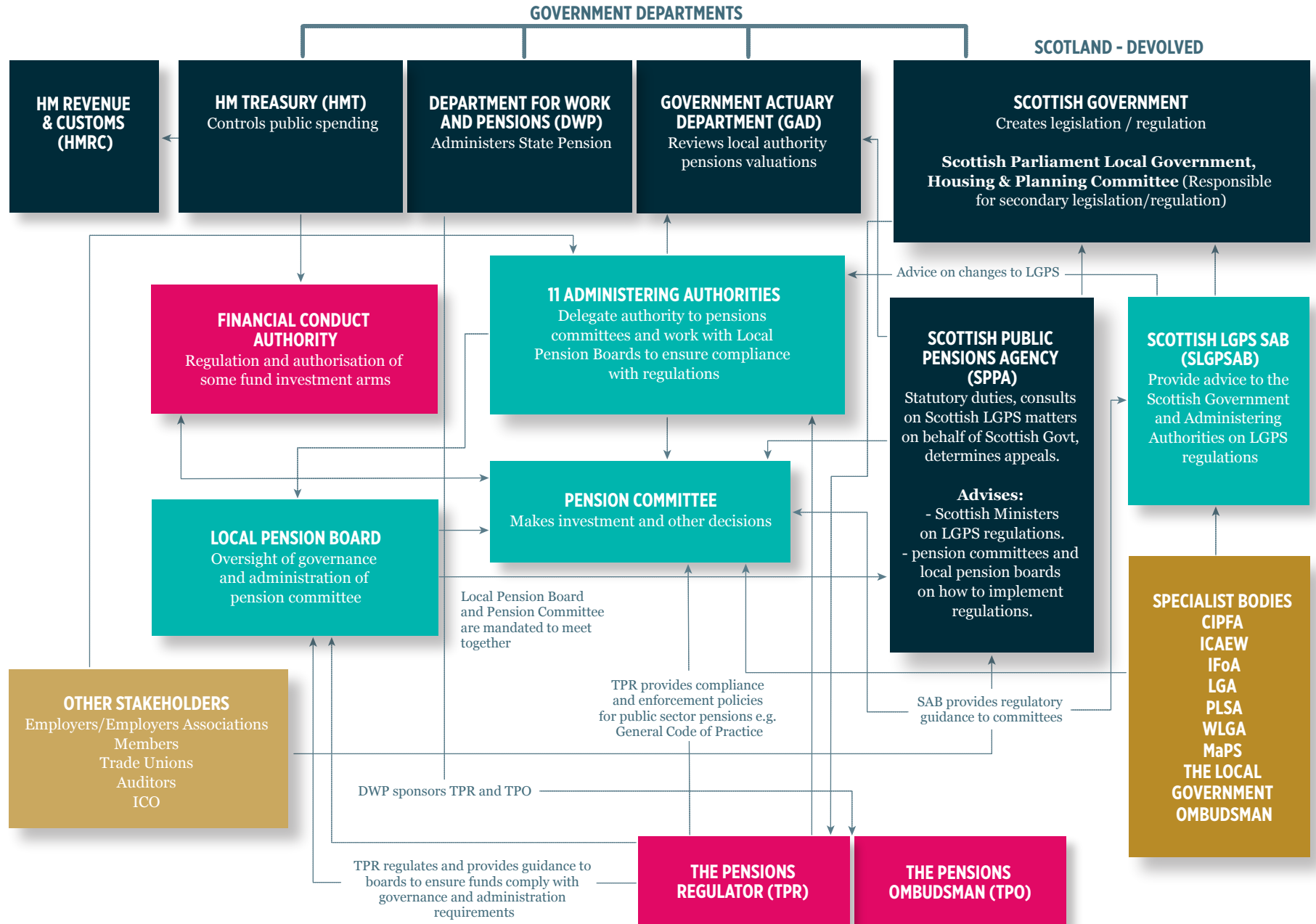
MAP LEGEND

1. At time of publication, Scottish LGPS figures for 2022 were not available. England and Wales figures provided by E&W SAB. Northern Ireland 2022 sourced from NILGOSC Annual Report 2021/22.

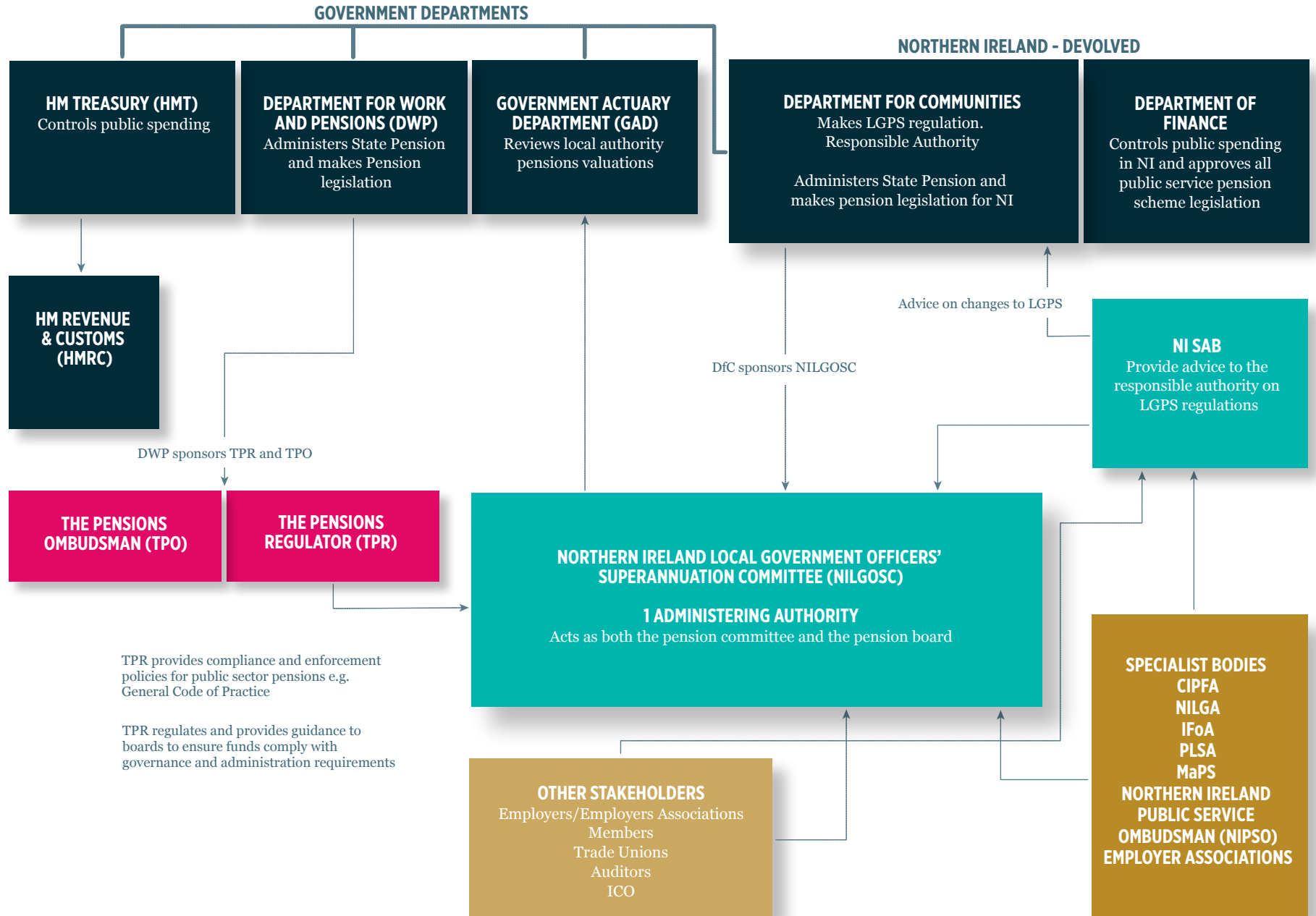
GOVERNMENT DEPARTMENTS



SCOTLAND



NORTHERN IRELAND





POLICY AREA	SUMMARY	DLUHC / SCOTTISH GOV/ NI DEPT. FOR COMMUNITIES	DWP	HMT	GAD	TPR	FCA	HMRC
McCloud Judgment Implementation	Removing age discrimination in public sector pension schemes							
Pooling Asset Guidance	DLUHC expects funds in E&W to make use of pools for investments	E&W only						
Responsible Investment	Providing a framework for guidance regarding responsible investments including on reporting, such as with TCFD							
Dashboard	Putting all pension pots into one platform for savers to access							
Cost Cap	Periodic assessment of scheme costs							
Valuations	Ensure schemes meet statutory funding objectives							
95k Cap on Exit Payments	Public Sector exit cap of £95k per employee leaving							
Employer Flexibilities in Contributions and Exit Payments	Employer contributions, exit payments and deferred debt							
Annual Allowance	Impact of Annual Allowance on LGPS savers							
TPR General Code of Practice	Turning 10 separate codes into a general code for pension scheme governance							
Divestment	Keep investment strategies aligned with UK foreign policy							
Fair Deal	Parity to pension protection for staff outsourced from central government and local authorities to private sector	E&W only						
Good Governance	Improve the standards of governance and administration of the scheme	E&W only						
Talent Management	Lack of independence from Local Authorities causes pay and retention issues							

Note: There are matters where Wales funds may act differently to English funds because of devolved powers



**Pensions and Lifetime
Savings Association**

T: 020 7601 1700
E: plsa@plsa.co.uk

www.plsa.co.uk

The Pensions and Lifetime
Savings Association 2023 ©
All rights reserved.

June 2023

This guide is for information only and is not
advice about investment and must not be
relied upon to make any financial decisions.