Response ID ANON-38MK-W3CF-P

Submitted to Local Government Pensions Scheme in England and Wales - Scheme Improvements (Access and Protections)
Submitted on 2025-12-22 12:53:14

About You

What is your name?

Please provide your name:
Tracy Weaver

What is your email address or telephone number?

Email address or phone number:
tracy.weaver@wypf.org.uk

What is the first part of your post code?

First part of your postcode:
bd1 1up

Type of respondent (select one)

Administering authority

Other (please specify):

Are you responding to this consultation as an individual or submitting a collective response from a group?

Individual

Glossary

Administration and regulation changes

Q1 – Do you agree with keeping the NMPA at below 57 for members with a PPA?

Yes

Please explain the reasons for your view:

Some members will have based their retirement planning on been able take their pension benefits at age 55.

Q2 – Do you agree with increasing the NMPA to 57 for members without a PPA?

Yes

Please explain the reasons for your view:

WYPF agree with the proposals of increasing the NMPA to 57 for members without a PPA. However, we have concerns that for such members with transfers-in as the proposals will introduce complexity in the calculation of their pension entitlement.

Q3 – Do you have any views on the design of the regulations to incorporate this change?

Please provide your views:

WYPF do not have any views on the design of the regulations to incorporate the changes to NMPA.

Mayors, Councillors and the Greater London Authority

Q4 – Do you agree with the proposal to give mayors access to the scheme?

Yes

Please explain the reasons for your view:

Q5 – Do you agree with the proposal to give councillors access to the scheme?

Yes

Please explain the reasons for your view:

We agree with the proposal to give councillors access to the scheme. However, WYPF believes it would make sense to make this change effective from a date shortly after the 2026 local elections to
a) give administration software suppliers more time to amend their systems and
b) avoid the administrative complexities of potentially having a number of members joining the scheme and then becoming deferred members shortly afterwards. We understand that the Local Government Association's consultation response expands on this in more detail.

Principles and Cost

Q6 – Do you agree with the two principles of how the government plans to develop regulations?

Yes

Please explain the reasons for your view:

Q7 – Do you have any specific comments on the draft regulations?

Please provide any comments:

As outlined in the answer to Q5 above, our main concern with the draft regulations is the proposed effective date of 1 April 2026, as this does not give software suppliers enough time to amend their systems to take account of the changes outlined in the consultation. Also, due to elections to be held in May 2026 this could resulting in some Councillors/Mayors only being active members of the LGPS for between 1 and 2 months.

Proposal 1: Establishing criteria and removing the requirement for SoS consent where criteria are met.

Q8 – Do you agree with the proposal to establish the criteria above in legislation?

I am unsure

Please explain the reasons for your view:

WYPF has significant reservations as to how effective the proposals will be in practice. We can envisage protracted discussions and it may be very difficult to get agreement of LGPS all Funds involved. We believe it is too early to introduce such proposals as many schools are still converting to academy status which could further complicate any consolidation as it is not clear which LGPS fund schools joining the trust in future would participate in and their could be further bulk transfers of members and assets, taking up valuable resource and incurring cost.
We see this as proposal as an unwelcome distraction from the significant administrative challenges LGPS funds are currently facing, including the consequences of LGR, implementing the McCloud remedy and ensuring data is of a high quality given commencement of pensions dashboard programme – plus the other matters covered in this consultation!
In addition, we believe that the costs incurred in a consolidation will in most cases greatly outweigh the benefits. Consolidating will not lower the expected cost of the benefits, which are determined by future investment returns, pay awards, inflation and member longevity.
We also have concerns regarding how conflicts of interest for advisors are managed. We suggest that the best way to do this is to put in guidance that advisors who are preparing the business case for consolidation should not be able to generate fees on advising on any subsequent implementation.

Q9 – Do you have any views on how contribution rate shopping can be discouraged?

Please provide your views:

WYPF's view is that the only way contribution rate shopping can be discouraged is for MHCLG/SAB to provide detailed guidance on what is required as part of the value-for-money assessment.

Q10 - Are there any other criteria that should be included?

Not Answered

Please provide any other criteria and the reasons they should be included:

The requirement for admission bodies linked to a consolidating Multi Academy Trust to be included in the consolidation.

Q11 - Do you have any other comments or considerations relating to establishing the criteria in legislation?

Please provide any comments:

WYPF's view is that when establishing the criteria in legislation account is taken of data transfer requirements, administrative burdens and timescales especially due to the constraints that will be introduced by Pension Dashboards.
Consideration will also need to be given to as to whether legalisation will allow for continued payment of AVCs to a member's current provider or investment fund. This is an area of administrative complexity which is often underappreciated in LGPS bulk transfer processes.

Q12 - Do you agree to the removal of the requirement to seek Secretary of State consent for standard direction order applications?

No

Please explain the reasons for your view:

WYPF's view is that there will be very few consolidations that will be "standard" and therefore would still expect the majority to require Secretary of State consent.

Q13 - What would be the most helpful information to include in guidance?

Academies guidance:

WYPF's view that any guidance should include detailed criteria for value-for money assessments, time scales for the transfer of data between Funds and completion of the consolidation, and which Academy/Multi Academy Trust will be responsible for picking up any fees, including, but not limited to, actuarial, legal and software supplier fees.

Q14 - Do you have any other comments or consideration on the removal of the requirement to seek SoS consent for standard order applications?

Please provide any comments:

WYPF has no further comments.

Proposal 2: Process for applications where criteria are not met

Q15 - Do you agree that non-standard applications will continue to require Secretary of State approval?

Yes

Please explain the reasons for your view:

As WYPF feel that most applications will end up as non-standard applications we agree they should continue to require Secretary of State approval.

Q16 - What would be the most helpful information to include in the guidance in relation to nonstandard applications that will require Secretary of State approval?

Please provide any comments:

WYPF's views is that any guidance include a detailed process map, what information Funds/Academies will be required to provide, timescales and who will be responsible for any fees.

Q17 - Do you have any further comments regarding the proposal?

Please provide any comments:

WYPF does not have any further comments

Removal of broadly comparable schemes

Q18 – Do you agree that the option to offer broadly comparable schemes should be removed, except in exceptional circumstances, to align with the 2013 Fair Deal guidance?

Yes

Please explain the reasons for your view:

WYPF agrees that the option to offer broadly comparable schemes should be removed, except in exceptional circumstances, to align with the 2013 Fair Deal guidance

Q19 – Are you aware of any other broadly comparable schemes that are currently in operation and have active members covered by the 2007 and/or 2012/2022 Directions? If so, please provide details of these.

No

Please provide details:

Removal of admission body option for future local government outsourcings

Q20 – Do you agree with the proposals on deemed employer status and the removal of admission body option for service providers who deliver local government contracts?

Yes

Please explain the reasons for your view:

As WYPF has already introduced pooled pass-through arrangements for new admissions we feel these proposals are less useful than they would have been when originally consulted upon. However, we do cautiously welcome the proposals as they would remove the requirement to obtain an actuarial assessment on the level of risks and for a bond or guarantee to be provided.

Fair Deal employers

Q21 – Do you agree with the proposed definition of a Fair Deal employer?

Yes

Please explain the reasons for your view:

Protected transferees

Q22 – Do you agree with the proposed definition of a protected transferee?

Yes

Please explain the reasons for your view:

Q23 – Do you agree with the proposal to allow the Fair Deal employer to provide protected transferee status for all staff working on a contract outsourced by a Fair Deal employer, which would enable Fair Deal employers and relevant contractors to avoid creating a two-tier workforce on outsourced contracts?

Yes

Please explain the reasons for your view:

Noting, that this a decision that the Fair Deal Employer needs to make during its discussion with the relevant contractor

Responsibilities for relevant contractors

Q24 – Do you agree with the overall approach on responsibilities for relevant contractors and Fair Deal employers? If you do not, with which proposals do you disagree?

Yes

Please explain the reasons for your view:

WYPF agrees with the overall approach on responsibilities for relevant contractors and Fair Deal employers. However, whilst you state your proposals will reduce the numbers of employers the Fund will still likely need to set up a separate employer record.

Continuity of responsibilities across contractors

Question 25 – Do you agree that Option 1 should be applied to how agreements between protected transferees and relevant contractors should be treated in the case of subsequent outsourcings? Please give the reasons for your answer.

Yes

Please explain the reasons for your view:

WYPF agree that Option 1 should be applied to how agreements between protected transferees and relevant contractors should be treated in the case of subsequent outsourcings. However, in reality this may not happen where the Fair Deal employer have never employed the protected transferees, e.g. where an academy on conversion entered into an agreement with a Local Authority for them to continue providing cleaning services and subsequently enter into a contract with a new provider.

Exceptional arrangements – continuation of broadly comparable schemes

Q26 – Do you agree with the approach to allow broadly comparable schemes to continue only in exceptional circumstances?

Yes

Please explain the reasons for your view:

Q27 – Do you have any views on what the exceptional circumstances, where broadly comparable schemes may need to continue, could be?

Please provide your views:

WYPF's view that exceptional circumstances could include where there is only one member working on the contract and they are say within 6 months of Normal Pension Age.

Transitional arrangements – inward transfers from broadly comparable schemes

Q28 – Do you agree with the proposed approach to inward transfers from broadly comparable schemes?

Yes

Please explain the reasons for your view:

Early re-negotiation of contracts

Q29 – Do you agree with the approach of including a mechanism in the draft regulations that allows for staff to become protected transferees where there is an early re-negotiation of a service contract using the new Fair Deal regulations?

Yes

Please explain the reasons for your view:

Optional expansion of New Fair Deal beyond originally outsourced workers

Q30 – Do you agree with the proposal that all staff (including those joining a contract after first outsourcing) would be eligible for protected transferee status, providing all relevant parties agree?

Yes

Please explain the reasons for your view:

Implementation of New Fair Deal proposals

Q31 – Do you agree with the proposal for the draft regulations to come into force on the date the relevant SI is laid, with a six-month transitional period during which there is the possibility to decide to not apply the new provisions?

Yes

Please explain the reasons for your view:

As the aim is to have admission agreements in place prior to staff transferring, WYPF's view is that a 6-month transitional period during which there is the possibility to decide to not apply the new provisions is appropriate.

Q32 – If you are an individual who is currently outsourced from a local authority and part of a final salary scheme, do you agree with the proposed updating of the 2007 and 2022 Directions to deem the LGPS as broadly comparable to or better than final salary schemes? Please give the reasons for your answer.

Not Applicable

Please explain the reasons for your view:

Q33 – Do you agree with the proposal to develop and publish statutory guidance and Scheme Advisory Board guidance to support with the implementation of the updated Fair Deal proposals?

Yes

Please explain the reasons for your view:

WYPF's view is that it is essential that guidance is published to support with the implementation of the Fair Deal proposals. However, we have reservations that some bodies that have the ability to award contracts, such as local authority schools, may not receive and therefore not follow any guidance that is published.

Q34 - Are there any additional topics that you would like to be covered?

Please provide any comments:

The only additional area that WYPF believes should be included in any guidance is, as mentioned above, the responsibilities of the Fair Deal Employer where they are not the current employer and never have never employed them.

Q35 – What impact do you think these proposals would have on members?

Please provide any comments:

If Fair Deal employers and Relevant Contractors adhere to the legalisation and guidance, WYPF believes that members should experience a smoother transition and avoid the risk of not been a member of the LGPS due to delays in completing an admission agreement.

Q36 – Do you support the proposal to bring all eligible individuals back into the LGPS, including those in broadly comparable final salary schemes? Please explain your reasons.

I am unsure

Please explain the reasons for your view:

Given the very low numbers of members in broadly comparable final salary schemes, WYPF believes that these should be individually assessed, taking into account the contract term and age of member(s).

Q37 – On balance, do you agree with the proposals in this chapter?

Yes

Please explain the reasons for your view:

On balance, WYPF is comfortable with the proposal, although we do have concerns that data quality may deteriorate, particularly if the relevant contractor is not using the same payroll provider as the Deemed Employer. It will also be important that guidance is clear on which party is ultimately taking responsibility for ensuring member data provided to the LGPS fund is accurate.
WYPF's view is that MHCLG should be prepared to revert back to the existing and widely used admission agreement on a pooled pass-through basis if the proposals when implemented do appear to result in a loss of data quality or timeliness of provision.

Chapter 5 - Public Sector Equality Duty

Q38 – Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.

Yes

Please explain the reasons for your view:

As the majority of outsourcings involve the provision of catering and cleaning services in schools/academies the proposals could either be of benefit or be a disadvantage to mainly females employees.

Q39 - Do you agree to being contacted regarding your response if further engagement is needed?

Yes