

Report to: Pension Board

Date of meeting: 4 November 2025

By: Chief Finance Officer

Title: Governance Report

Purpose: To provide an update on governance workstreams and changes affecting Local Government Pension Schemes and the East Sussex Pension Fund.

RECOMMENDATIONS:

The Pension Board is recommended to:

- 1) Note the legal and regulatory changes as set out in this report;
 - 2) Comment on and note the updated Pension Administration Strategy as set out in Appendix 2 of this report prior to the launch of consultation with employers; and
 - 3) Note the updates in relation to Pension Board Member training.
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1 Background

1.1 This report is presented to the Pension Board to provide an update on the steps being taken to adopt good practice and ensure compliance with regulatory requirements for the East Sussex Pension Fund (the Fund or ESPF).

2 Legal and regulatory changes

2.1 On 13 October 2025, the Government launched a consultation titled '[Local Government Pension Scheme in England and Wales: Scheme improvements \(access and protections\)](#)'. This consultation relates to 4 key areas:

- Normal Minimum Pension Age (NMPA): The Finance Act 2022 provides for an increase in NMPA from 55 to the age of 57, with effect from 6 April 2028. However, it is the intention of Government that certain members of the scheme may benefit from protections, subject to meeting prescribed criteria. The proposals permit those in the scheme prior to 4 November 2021 to retain a Protected Pension Age (PPA) of 55. Members who joined the scheme after this date and transferred benefits into the Local Government Pension Scheme (LGPS) will not be protected.
- Pension access for councillors and mayors: On 28 September 2025, the Secretary of State for Housing, Communities and Local Government announced the Government's intention to again permit councillors in England to join the LGPS. The proposals within the consultation would allow councillors, mayors and deputy mayors to accrue pension benefits within the LGPS, but would exclude such members from auto-enrolment, redundancy early retirement, awards of additional pension, shared-cost Additional Voluntary Contributions, flexible retirement and the ability to aggregate with other LGPS membership periods.
- Academies in the LGPS: Multi-Academy Trusts often have academies in 2 or more LGPS funds, and are therefore required to deal with more than one administering authority. The status quo currently allows LGPS employers to apply for a direction from the Secretary of State to consolidate their participation into a single fund. The proposals seek to establish

clearer criteria including a requirement for evidence regarding greater value for money as a result of the consolidation, while at the same time making clear that it is not an opportunity for employers to indulge in an exercise to seek the lowest contribution rate. Where all parties are in agreement, Secretary of State approval may not be required.

- **New Fair Deal:** Proposed changes to New Fair Deal include the removal of the option to offer a broadly comparable scheme for eligible members transferred to a new employer, but for exceptional circumstances. In addition, rather than contractors becoming admission bodies, protected transferees will be treated as employees of their current employer for LGPS purposes, via a deemed employer approach. The intention is to reduce the administrative burden of trying to finalise admission agreements and avoid the risk of exit payments or credits at the end of a contract.

2.2 The Minister of State for Local Government and Homelessness, issued a written ministerial statement alongside the consultation as set out at Appendix 1. This statement confirms that a Government response to the consultation launched earlier this year (May 2025) '[Local Government Pension Scheme in England and Wales: Access and fairness](#)' will be published later in the year.

2.3 The consultation will remain open for 10 weeks, closing on 22 December 2025. Officers will prepare a draft response and circulate to the Chairs of the Pension Board and Pension Committee, allowing an opportunity for comment, prior to submitting a final response.

3 Pension Administration Strategy

3.1 Officers are preparing an update to the existing Pension Administration Strategy document, approved by the Pension Committee on 16 June 2023. Regulation 59 of The Local Government Pension Scheme Regulations 2013 requires the administering authority to consult with scheme employers in preparing, reviewing or revising its administration strategy. This is an opportunity for the Pension Board to provide any feedback on the updated draft of the strategy as set out at Appendix 2 and Appendix 3, prior to the launch of consultation with employers.

3.2 This will likely be an interim update with further revisions required as new requirements are detailed within ongoing work relating pension reforms and regulatory change.

4 Pension Board Member Training

4.1 Members of the Pension Board have a legal duty to develop and maintain appropriate knowledge and understanding of pension matters to fulfil their role. Whilst this duty does not extend to members of the Pension Committee, in their role as decision makers, Pension Committee members should have an equivalent level of knowledge. This is in line with Section 248A of the Pensions Act 2004 and inserts to the Pensions Act 2013.

4.2 In August 2025, members of the Pension Board and Pension Committee were invited to complete a self-assessment questionnaire as set out at Appendix 4, which tested their knowledge and understanding of pension matters - based on guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA) and The Pensions Regulator.

4.3 At the time of writing this report (20 October 2025), only 4 responses have been received (3 from members of the Pension Board and one response from a member of the Pension Committee).

4.4 The completed questionnaires allow Officers to assess the training needs of the Board and Committee as a whole and members individually. It is instrumental in helping define subjects that should be covered by bespoke training (outside of those made available through third party organisations). Where responses are not received, this leads to training needs not being identified. This in turn could mean that members of the Pension Board and Pension Committee do not meet

their obligations to have the required level of knowledge and understanding deemed essential to fulfil their role.

4.5 Owing to changes in Pension Board members, it has been more difficult to compare year-on-year trends in overall knowledge. Where it has been possible to do so, there appears to have been marginal increases in some areas and a reduction in others. Consequently, areas identified as key for further training include:

- Legislative and/or benefit uncertainty and the impact of this on the funding strategy
- How the fund interacts with the taxation system in relation to benefits administration
- Best practice in pension administration, e.g. performance and cost measures

4.6 Over the last 12 months, training provided has included:

- In-house training, such as the Additional Voluntary Contributions (AVC) and Additional Pension Contributions (APC), Pension Dashboard data and member experience;
- Guest presentations, such as sessions on Actuarial Valuation from Barnett Waddingham and another on Private Equity;
- External events, for example the Local Government Association (LGA)'s LGPS Governance Conference, Hymans' Local Government devolution and reorganisation webinar, Pensions for Purpose's Evolving Environmental, Social and Governance (ESG) practices in UK Fiduciary Management, and more;
- Other training has been provided on the ESPF Risk Register and Business Continuity Plan;

Participation has been lower than that achieved in previous years.

4.7 In the forthcoming year, officers intend facilitate training in the following areas:

- LGPS discretions and how the formulation of the discretionary policies impacts on the fund, employers and scheme members. This is carried forward from last year, to be rescheduled for the next year;
- Introduction to 'Border to Coast Pension Partnership' pool;
- Best practice in pension administration, e.g. performance and cost measures;
- Legislative and/or benefit uncertainty and the impact of this on the funding strategy;
- How the fund interacts with the taxation system in relation to benefits administration;
- Any new areas where a training need is specified by the Pension Board and Committee (Pension Board and Committee members are reminded that if they have a particular training need, they should contact the Training Co-Ordinator).

4.8 In addition to the above, external training opportunities remain available from both CIPFA and The LGA, who offer training specifically designed for Board members and LGPS Fundamentals training respectively.

4.9 Officers will monitor the market for pertinent training opportunities and notify members of both the Pension Board and Committee on a monthly basis.

4.10 Where members of the Pension Board undertake training, officers encourage feedback on both content and delivery. This helps to improve the training offer and ensure both Pension Board and Committee members get value from the time invested.

5 Conclusion

5.1 This report provides an update on legal and regulatory changes together with Pension Board member training. The Board is recommended to note these updates. The report also presents proposed updates to the Pension Administration strategy providing an opportunity for the

Pension Board to provide comments ahead of launching the consultation with employers on the updated strategy.

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