



Government
Actuary's
Department

LGPS (E&W) Administering Authorities

Finlaison House
15-17 Furnival Street
London
EC4A 1AB

9 June 2020

www.gov.uk/gad

Dear Sir/Madam

Local Government Pension Scheme – Valuation data update

We recently wrote to you about the 31 March 2019 data that you provided to your actuaries. The purpose of that letter was to start a dialogue on data quality and find ways of improving it ahead of the 2020 scheme-level valuation. We should have been clearer that the intention was not to call into question the validity of the valuations recently completed by individual funds.

Your engagement in this process is very much appreciated, and we are already gaining a richer understanding of the data and how it is used by your actuary. Because of this the Scheme Advisory Board (SAB), MHCLG, GAD and fund actuaries have agreed to spend more time exploring the more detailed knowledge and familiarity with each fund's data that local actuaries have. It is possible that this will resolve some of the data queries that we raised with you initially.

To accommodate this exploration, a revised timetable is set out in Annex A for your information.

Autumn 2020 data collection

To carry out the 2020 cost cap assessment in line with the current timetable set by HM Treasury Valuation Directions and the corresponding Scheme Advisory Board's scheme cost assessment, we will be required to request data as at 31 March 2020 from you in September this year.

Due to the expected tight timeframe for the 2020 valuation, we do not plan to provide funds with individual reports on this data in the same way as for the 2019 data submission. Rather, a central report on LGPS data will be part of GAD's scheme valuation advice to MHCLG, as was also the case for the 2016 scheme valuation. This is currently expected to be published ahead of the next fund valuations in 2022.



In summary

SAB, MHCLG and GAD are grateful for the engagement and feedback from you to date, which has been extremely useful. We are looking forward to the opportunity to gather further insights under this amended feedback plan and to work with you to collect 2020 scheme valuation data in the Autumn, in what we appreciate is a very busy time for you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'B. Allan', written in a cursive style.

Brian Allan
Actuary

Annex: 2020 Scheme valuation data timetable

Timeframe	Plan
now – 12 June 2020	Fund actuaries provide detailed feedback to GAD
15 – 26 June 2020	GAD and fund actuary engagement
End June/July 2020	GAD resumes engagement with a sample of funds on any outstanding questions
September 2020	GAD request fund member data as at 31/03/2020
End 2020	GAD may engage with fund actuaries if there are specific concerns with 2020 data
2021	Stakeholders engage over Universal Data Specification (see note below) GAD report on 2020 data published at the conclusion of the 2020 scheme valuation process

Note

GAD will be requesting data as at 31/03/2020 under the current Universal Data Specification (i.e. the same format as the fund valuation and the GAD 2019 data collection). Although the 2020 scheme valuation will need to reflect costs due to the McCloud judgement, GAD recognise that more time is needed to agree changes to data collection arrangements. While GAD is progressing plans for conducting the 2020 scheme valuation based on the current data specification, they will be engaging with funds and fund actuaries to discuss revisions well ahead of the 2022 valuations.