

Scheme Advisory Board

2021/22 SF3 Statistical Return (England and Wales)

This note summarises the key points from the 2021/22 [SF3 statistical return](#) published by DLUHC on the 26th October 2022.

Background

1. Administering authorities in England and Wales (other than the Environment Agency) are required to submit an annual statistical return that is published by DLUHC in October each year. The SF3 return collects information on Local Government Pension Scheme funds' income, expenditure, membership, retirements and other activities. It also shows changes over previous years. The membership section of the statistical return is used to calculate the annual SAB levy paid by individual administering authorities.
2. The 2021/22 return is the second in a row when the October publication has been based on 66 provisional, unaudited accounts. As last year, administering authorities have been asked to submit a second return if the results of audited accounts varies materially from their provisional return. An updated return could be published sometime in early 2023 if there is any material difference between the provisional and final audited data.

Key Findings

3. The key findings of the 2021/22 return as reported by DLUHC in their return include:
 - Total Local Government Pension Scheme (LGPS) expenditure in England and Wales in 2021-22 was £14.4 billion. This was an increase of £0.9 billion or 6.6% on 2020-21. This was driven in part by an increase in lump-sum retirement payments.
 - Investment management costs also increased to £1.784 billion, up 22% from the year before.
 - Total LGPS income in England and Wales in 2021-22 was £15.9 billion. This was a decrease of £1.4 billion or 8.1%. This decrease is common in the second year of a valuation period as many employers front-load payments in the first year. This means that the scheme as a whole is still cash-flow positive, if investment returns are included.
 - Employers' Contributions to the LGPS in 2021-22 in England and Wales amounted to £7.8 billion, a decrease of 24.3%. As noted

Scheme Advisory Board Secretariat

Local Government House, Smith Square, London SW1P 3HZ

E SABSecretariat@local.gov.uk W www.lgpsboard.org

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above this is part of an established cyclical pattern. Employees' contributions to the scheme were £2.6 billion, an increase of 4.8%.

- The market value of LGPS funds at end of March 2022 was £364.0 billion, an increase of £26.9 billion or 8.0%.
- There was a small increase in active members of the scheme and they continue to make up around 32% of the overall membership. However, numbers of deferred and pensioner members continued to grow at a slightly faster rate.
- There were 94,724 retirements from the LGPS in 2021-22, an increase of 11,788 or 14.2% compared with 2020-21. There was a 30% increase in the number of "normal retirements", and there was also a significant increase in the number of requests for early payment of deferred benefits (up from 49,348 in the previous year to 54,050 in 2021-22). This may be due to people being unable or unwilling to retire during the coronavirus pandemic, and more people choosing to retire as the pandemic abated.

Bob Holloway
Pensions Secretary

3rd November 2022

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