



Ministry of Housing,
Communities &
Local Government
Statistical release
Local Government Finance

Local Government Pension Scheme Funds England and Wales: 2019-20 (Revised)

This statistical release contains information on Local Government Pension Scheme Funds expenditure, income, and membership for the financial year 2019-20 in England and Wales.

In this release:

- Total Local Government Pension Scheme (LGPS) expenditure in England and Wales in 2019-20 was £13.4 billion. There was an increase of £0.7 billion or 5.6% on 2018-19.
- Total LGPS income in England and Wales in 2019-20 was £16.0 billion. Removing the effect of the merger of the West Midlands Integrated Transport Authority Pension Fund into the West Midlands Pensions Fund from 1 April 2019, there was a like-for-like increase of £0.4 billion or 2.6% on 2018-19.
- Employers' Contributions to the LGPS in 2019-20 in England and Wales amounted to £7.7 billion, up 7.7% on 2018-19. Employees' contributions to the scheme were £2.3 billion.
- The market value of LGPS funds at end of March 2020 was £272.4 billion, a decrease of £14.8 billion or 5.2%.
- The LGPS in England and Wales encompassed 6.1 million people at the end of March 2020. Of this number, 2.0 million are employees who still contribute to the scheme, 1.8 million are pensioners and 2.2 million are former employees who are entitled to a pension at some time in the future.
- There were 89,006 retirements from the LGPS in 2019-20, an increase of 5,498 or 6.6% compared with 2018-19.

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Introduction

This release has been compiled by the Ministry of Housing, Communities and Local Government and provides information on Local Government Pension Scheme (LGPS) funds in England and Wales that was collected on the SF3 (Pensions) 2019-20 form. Forms were submitted by all 86 Administering Authorities. This release shows data for England and Wales combined. Tables 1-6 of this release will be available for England and Wales separately to aid continuity in these series and can be found at <https://www.gov.uk/government/collections/local-government-pension-scheme>.

The SF3 (Pension) form was issued in August 2020 to LGPS administering authorities in England and Wales and forms were submitted by all 86 authorities during August to October. Of these, one authority has submitted a partial return (line A5, section G and I were unavailable at the time). Authorities were asked to submit their data based on their audited accounts. However, due to the Covid-19 situation, the audit timetable had been extended and the audit deadline set to the 30 November. This has meant that 48 authorities have submitted their SF3 form based on their provisional accounts data. Authorities have been asked to submit revised figures based on their audited figures if they are significantly different.

This revised release reflects small revisions that been received since its initial publication. This is due to revised data being submitted by 3 authorities, including the update to Table 6 to include the data that was missing from one authority.

The SF3 (Pensions) form collects information on Local Government Pension Scheme funds' income, expenditure, membership, retirements, and other activities. It also shows other associated information for the financial year 2019-20 and changes over previous years.

When looking at the figures in this release it should be remembered that throughout the year there are always staff transferring their pensions into, and out of, the LGPS because they either commence work for an employer who is a member of the LGPS and bring their accrued pension with them, or they move to another employer and take their pension pot with them.

In addition, there will be occasions where staff transfer between LGPS schemes and so there will also be transfers between funds within the LGPS.

Special factors affecting the data

Since 2015-16 there have been two large transfers between funds and two mergers that have resulted in large increases in the Transfer Values shown in both **Table 1** and **Table 2** below. These factors make direct comparisons with both previous and subsequent years inappropriate. Like-for-like comparisons have been made in previous statistical releases for the years affected by adjusting figures for Expenditure and Income to remove the effect of these factors. Changes to consider in the tables in this release are described below.

2016-17

During 2016-17, the Pension Funds for Richmond upon Thames and Wandsworth merged. The merger took effect from 1 October 2016, as per SI 2016 No. 1241.

2017-18

During 2017-18, South Yorkshire Passenger Transport Authority and Greater Manchester Pensions Funds merged on 1 November 2017 and there was a large transfer from West Yorkshire to Greater Manchester. West Yorkshire reported the transfer (£450 million) completely within their expenditure figures in 2017-18, whereas Greater Manchester reported only part of the transfer (£147.3 million) in their income figures.

2018-19

There have been no mergers in 2018-19. However Greater Manchester have reported the remaining portion of the 2017-18 transfer in their income figures. We are aware that the sum of the Greater Manchester transfer income figure (£460.9 million) is greater than the West Yorkshire transfer expenditure figure. We have been unable to reconcile this with the two authorities and so have used the figures as reported.

2019-20

On the 1 April 2019, the West Midlands Integrated Transport Authority Pension Fund merged into the West Midlands Pension Fund, as per SI 2019 No. 1351. West Midlands Pension Fund reported this to account for £491.7 million of their transfer income figures.

1. Expenditure: 2015-16 to 2019-20

Table 1 and **Chart A** provide figures of the expenditure of the Local Government Pension Scheme (LGPS) in England and Wales from 2015-16 to 2019-20.

- Total LGPS expenditure in 2019-20 was £13.4 billion. This was an increase of £0.7 billion or 5.6%.
- The expenditure on benefits in 2019-20 was £10.9 billion, an increase of £0.5 billion or 4.9% on 2018-19. Of this, expenditure on pensions and annuities was £8.9 billion, an increase of £0.4 billion (5.3%) and expenditure on lump sums paid on retirement was £1.6 billion, an increase of £43 million (2.7%) on 2018-19.
- Disposal of Liabilities was £1.0 billion in 2019-20. This was an increase of £23.7 million on 2018-19.
- Costs charged to the funds increased by £169.3 million, or 12.9%, in 2019-20 to £1.5 billion.
- For England expenditure in 2019-20 was £12.6 billion. This was an increase of £0.7 billion or 5.7% on 2018-19.
- For Wales expenditure in 2019-20 was £0.8 billion. There was an increase of £31.1 million or 3.9% on 2018-19.

Table 1: Local Government Pension Scheme expenditure, 2015-16 to 2019-20, England and Wales

	2015-16 ^(a)	2016-17	2017-18	2018-19	£ Million 2019-20
Total expenditure on benefits <i>of which:</i>	9,241	9,533	9,814	10,407	10,919
<i>Pensions or annuities</i>	7,426	7,675	7,987	8,436	8,883
<i>Lump sums paid on retirement</i>	1,494	1,511	1,474	1,573	1,616
<i>Lump sums paid on death</i>	204	216	216	239	239
<i>Optional lump sum</i>	114	128	134	150	172
<i>Other benefits</i>	3	3	4	9	9
Disposal of Liabilities <i>of which:</i>	562	1,248	1,659	928	952
<i>Transfer values^{(b)(c)}</i>	557	1,243	1,657	926	950
<i>Pensions Act premiums</i>	5	4	3	2	1
<i>Refunds of contributions</i>	0	0	0	0	0
Costs charged to the funds <i>of which:^{(a)(d)}</i>	962	1,035	1,189	1,317	1,487
<i>Investment management expenses</i>	801	866	1,016	1,127	1,270
<i>Administrative expenses</i>	111	116	121	132	142
<i>Governance and oversight costs</i>	50	53	52	62	74
Other expenditure	20	31	28	36	37
Total expenditure	10,785 	11,846 	12,691 	12,689 	13,395

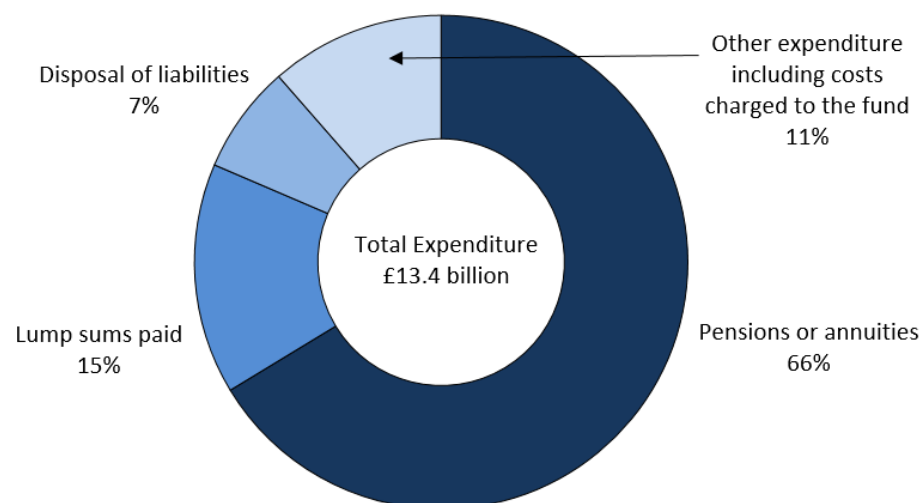
(a) Recording of Management expenses in SF3 2015-16 was changed in line with CIPFA guidance.

(b) Transfer values for 2016-17 include a £675 million transfer from Richmond upon Thames for the merger of Richmond upon Thames and Wandsworth Pension Funds from 1 October 2016.

(c) Transfer values for 2017-18 include a £240.7m from South Yorkshire PTA for the merger with Greater Manchester and £450m from West Yorkshire to Greater Manchester for the transfer.

(d) The total Costs charged to the funds figure for 2018-19 does not equal the sum of the component parts due to inconsistencies in reporting by one local authority.

Chart A: Local Government Pension Scheme expenditure in 2019-20: England and Wales



2. Income: 2015-16 to 2019-20

Table 2 and **Chart B** provide figures of the income to the LGPS in England and Wales and the market value of the scheme from 2015-16 to 2019-20.

- The total income of the LGPS in 2019-20 was £16.0 billion. Removing the effect of the merger of the West Midlands Integrated Transport Authority (ITA) Pension Fund into the West Midlands Pensions fund from 1 April 2019, there was a like-for-like increase of £0.4 billion or 2.6% on 2018-19.
- Employers' contributions to the LGPS in 2019-20 amounted to £7.7 billion, an increase of £0.5 billion or 7.7% on 2018-19; employees' contributions to the scheme increased in the same period by £0.1 billion or 5.5% to £2.3 billion.
- The market value of LGPS funds at end of March 2020 was £272.4 billion, a decrease of £14.8 billion or 5.2%. This reflects the uncertainty seen in the financial markets at the end of financial year due to Covid-19.
- For England, income in 2019-20 was £15.1 billion. Removing the effect of the West Midlands ITA Pension fund merger, there was a like-for-like increase of £0.4 billion or 2.8% on 2018-19.
- For Wales, income in 2019-20 was £0.9 billion. There was an increase of £2 million or 0.2% on 2018-19.

Table 2: Local Government Pension Scheme income and market value of funds 2015-16 to 2019-20, England and Wales

	2015-16	2016-17	2017-18	2018-19	£ million 2019-20
Contributions (including those from admitted authorities)					
Employees	2,096	2,105	2,145	2,205	2,326
Employers ^(a)	7,076	7,418	9,472	7,131	7,680
Investment income (gross)	3,588	3,942	4,403	4,433	4,404 ^(R)
of which:					
Dividends receivable	2,337	2,540	2,781	2,540	2,384 ^(R)
Interest receivable	321	290	310	240	303
Income from property	503	542	580	614	660
Other investment income	427	569	733	1,039	1,056
Transfer value ^{(b)(c)(d)(e)}	472	1,168	1,341	1,127	1,507
Other income	59	64	53	192	60
Total income	13,291 	14,697 	17,414 	15,087 	15,977^(R)
					£ million
Market value of funds at end of year	213,935	258,825	270,919	287,193	272,395 ^(R)

(R) = Revised since the initial release of this table in November 2020

(a) Includes employers' secondary contributions

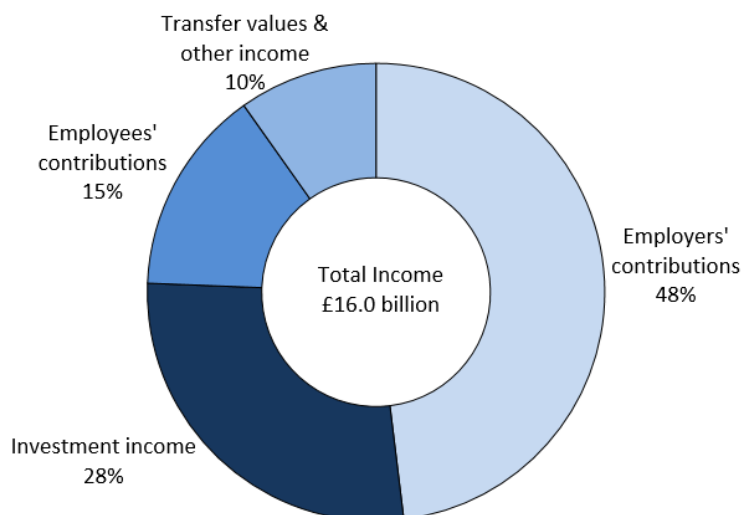
(b) Transfer values for 2016-17 includes £675 million transfer to Wandsworth for the merger of Richmond upon Thames and Wandsworth Pension Funds from 1 October 2016

(c) Transfer values for 2017-18 includes £240.7m from South Yorkshire PTA for the merger and £147.3m transfer from West Yorkshire both involving Greater Manchester. West Yorkshire has accounted for the transfer to Greater Manchester wholly within 2017-18 although Greater Manchester will account for most of it in 2018-19.

(d) Greater Manchester accounted for the remaining West Yorkshire transfer value in 2018-19 as a reported £313.6m transfer (see special factors).

(e) Transfer values for 2019-20 include a £491.7 million transfer from West Midlands Integrated Transport Authority Pension Fund for the merger of West Midlands Integrated Transport Authority Pension Fund and West Midlands Pension Fund. Please note that this £491.7mil transfer appears in the **income** data but not the **expenditure** data due to the timing of the merger.

Chart B Local Government Pension Scheme income in 2019-20, England and Wales



3. Income and Expenditure

Table 3 and **Chart C** provides a comparison of total LGPS expenditure and income in England and Wales from 2015-16 to 2019-20.

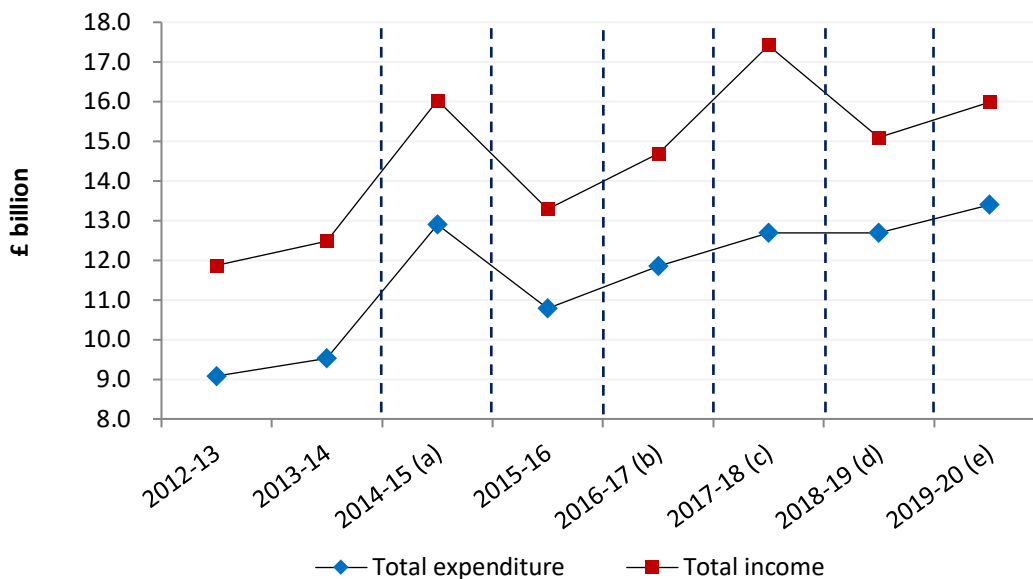
In **2019-20** total expenditure was 84% of LGPS income, the same percentage as in 2018-19.

Table 3: Local Government Pension Scheme total expenditures and income 2015-16 to 2019-20, England and Wales

	2015-16	2016-17	2017-18	2018-19	£ million 2019-20
Total expenditure (from Table 1)	10,785	11,846	12,691	12,689	13,395
Total income (from Table 2)	13,291	14,697	17,414	15,087	15,977 ^(R)
Expenditure as a % of income	81%	81%	73%	84%	84% ^(R)

(R) = Revised since the initial release of this table in November 2020

Chart C: Local Government Pension Scheme total expenditure and income 2012-13 to 2019-20, England and Wales



(a) In 2014-15, £2.6 billion of transfers were made from 34 different pension administering bodies in England and Wales to the Greater Manchester Pension Fund in relation to Probation Service staff. This makes direct comparisons to 2014-15 inappropriate.

(b) In 2016-17 The Richmond upon Thames and Wandsworth Pension funds merged from 1 October 2016. The transfer value was £675 million. This makes direct comparisons to 2016-17 inappropriate.

(c) In 2017-18 The South Yorkshire PTA and Greater Manchester Pensions Funds merged and there was a large transfer from West Yorkshire to Greater Manchester. This makes direct comparisons to 2017-18 inappropriate.

(d) In 2018-19 Greater Manchester Pensions Fund accounted for the remaining West Yorkshire transfer value. This makes direct comparisons to 2018-19 inappropriate.

(e) In 2019-20 West Midlands PTA and West Midlands Pension Fund merged. The transfer value was £491.7 million. This makes direct comparisons to 2018-19 inappropriate.

4. Membership and employers

Membership

Tables 4 and **Chart D** provide figures of the membership of the LGPS in England and Wales.

- At the end of March 2020, the total membership of the LGPS was 6.1 million, an increase of 113,000 or 1.9% on March 2019. Of this number, 2.0 million are employees who are still contributing to the scheme, 1.8 million are pensioners and 2.2 million are former employees who are entitled to a pension at some time in the future.
- Of this increase, employees in the LGPS increased by approximately 20,000 or 1.0%, the number of pensioners increased by approximately 65,000 or 3.8% and the number of flexible retirees or former employees entitled to deferred benefits increased by approximately 27,000 or 1.2%.

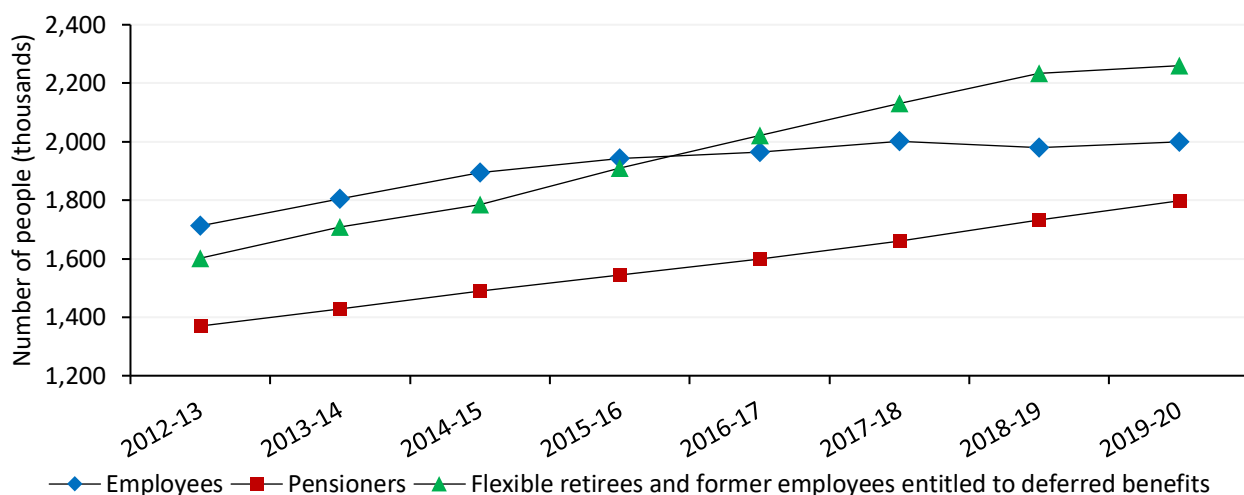
Table 4: Number of Local Government Pension Scheme members at the end of each year 2015-16 to 2019-20, England and Wales

	2015-16	2016-17	2017-18	2018-19	Thousand 2019-20
Employees	1,943	1,964	2,001	1,980	2,000
Pensioners	1,543	1,599	1,660	1,733	1,798
Former employees entitled to deferred benefits	1,900	2,011	2,117	2,219	2,246
Flexible retirees (a)	11	12	13	13	14 ^(R)
Total membership of LGPS	5,396	5,585	5,792	5,946	6,059^(R)

(R) = Revised since the initial release of this table in November 2020

(a) Flexible retirement defined in Regulation 30(6) to the 2013 LGPS Regulations

Chart D: Membership of the Local Government Pension Scheme 2012-13 to 2019-20, England and Wales



Employers

In 2019-20, data were collected on the type of employer involved in the LGPS. Employers were categorised into one of four groups:

- Local authorities and connected bodies – e.g. a county council, district council
- Centrally funded public sector bodies – e.g. an academy, further education corporation, sixth form college or higher education corporation
- Other public sector bodies – e.g. a National Park Authority
- Private sector, voluntary sector and other bodies – e.g. a passenger transport executive, an urban development corporation, (and private/voluntary sector organisations).

Table 5 shows the number of employers (which includes admitted bodies) in England and Wales in each of the four groups as reported by pension authorities. It also shows the number of employees, pensioners etc. that are part of the LGPS, by the type of employer.

- 74.0% of all the members of the LGPS are covered by local authorities and other connected bodies, even though local authorities and connected bodies represent only 18.6% of employers.
- Private sector, voluntary sector, and other bodies account for approximately a third (32.3%) of all employers but are responsible for only 5.3% of LGPS members.

Table 5: Number of Local Government Pension Scheme members at the end of 2019-20 by type of employer, England and Wales

	Local authorities and connected bodies	Centrally funded public sector bodies	Other public sector bodies	Private sector, voluntary sector and other bodies	Total
Total number of employers	3,465	8,069	1,053	6,008	18,595
					Thousand
Employees	1,316	536	56	92	2,000
Pensioners	1,464	162	56	116	1,798
Former employees entitled to deferred benefits	1,692	382	60	112	2,246
Flexible retirees ^(a)	11	1	0	1	14^(R)
Total covered by Local Government Pension Scheme	4,482	1,082	173	321	6,059^(R)

(R) = Revised since the initial release of this table in November 2020

(a) Flexible retirement defined in Regulation 30(6) to the 2013 LGPS Regulations

5. Retirements from the Local Government Pension Scheme

Table 6 and **Chart E** provide figures of the type of retirement from the LGPS in England and Wales from 2015-16 to 2019-20.

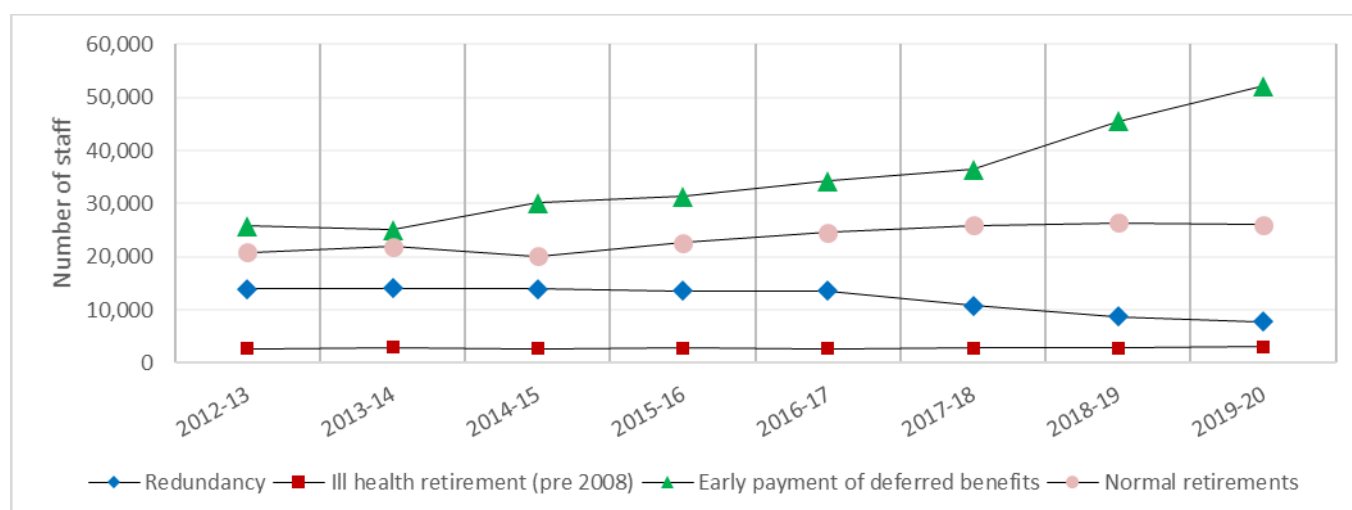
- There were 89,006 retirements from the LGPS in 2019-20, an increase of 5,498 or 6.6% compared with 2018-19.
- The number of employees having their deferred benefits paid early rose by 14.6% on 2018-19, and account for over half (58.5%) of the total employees retiring.
- The number of people leaving the LGPS in 2019-20 due to redundancy reduced by 11.1% from 2018-19, dropping to 7,825.
- The number of people leaving the LGPS in 2019-20 due to normal retirement decreased by 1.3% from 2018-19, dropping to 26,023.

Table 6: Type of retirements from the Local Government Pension Scheme 2015-16 to 2019-20, England and Wales

	2015-16	2016-17	2017-18	2018-19	2019-20
Redundancy	13,627	13,544	10,847	8,804	7,825 ^(R)
Tier 1,2 & 3 ill health retirement awards under LGPS	2,791	2,715	2,791	2,875	3,046 ^(R)
Early payment of deferred benefits	31,336	34,303	36,435	45,469	52,112 ^(R)
Normal retirements	22,655	24,556	25,881	26,360	26,023 ^(R)
Total retirements	70,409	75,118	75,954	83,508	89,006^(R)

(R) = Revised since the initial release of this table in November 2020

Chart E: Type of retirement from the Local Government Pension Scheme, 2012-13 to 2019-20, England and Wales



Accompanying tables and open data

Symbols used

...	= not available
0	= zero or negligible
-	= not relevant
	= discontinuity

Rounding Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent parts.

Tables

Accompanying tables are available to download alongside this release. These include Tables 1 to 6 for England and Wales separately, and data for individual pension administering authorities. These tables can be accessed at www.gov.uk/government/collections/local-government-pension-scheme

Open data

These statistics are available in fully open and linkable data formats at www.gov.uk/government/collections/local-government-pension-scheme

Technical Notes

Please see the accompanying technical notes document for further details. This can be found at www.gov.uk/government/collections/local-government-pension-scheme

Information on Official Statistics is available via the UK Statistics Authority website: <https://www.statisticsauthority.gov.uk/>

Information about statistics at MHCLG is available via the Department's website: www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics



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