

Update of Matters circulating that are likely to affect Scheme Administration FEB 2018 (Appendix 1)

Organisation	Subject	Link	Comments
HM Treasury	Pensions scams: consultation	https://www.gov.uk/government/consultations/pension-scams/pensions-scams-consultation https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638844/Pension_Scams_consultation_response.pdf	<p>Awaiting response to consultation</p> <p>Government Response issued August 2017 outlines key areas</p> <p>a ban on cold calling in relation to pensions, to help stop fraudsters contacting individuals</p> <p>limiting the statutory right to transfer to some occupational pension schemes</p> <p>making it harder for fraudsters to open pension schemes</p>
UPDATED	Indexation and equalisation of GMP in public service pension schemes Published on 28 November 2016 Consultation ended 20 February 2017	https://www.gov.uk/government/consultations/indexation-and-equalisation-of-gmp-in-public-service-pension-schemes https://www.gov.uk/government/consultations/indexation-and-equalisation-of-gmp-in-public-service-pension-schemes/consultation-on-indexation-and-equalisation-of-gmp-in-public-service-pension-schemes	<p>APF responded to consultation in Feb 2017 On 22 January 2018, HMT published its response to the consultation.</p> <p>The government has been implementing an “interim solution” between 6 April 2016 and 5 December 2018. The consultation directs that this solution will be extended for a further two years and four months. This will cover those members of public service schemes with a GMP who reach state Pension Age on or after 6 December 2018 and before 6 April 2021. During this period, the government will investigate the possibility of an alternative long-term methodology, known as “conversion”.</p> <p>The extension will impact on Transfer and Divorce calculations once a revised Ministerial Directive allows the guidance to be updated</p>
	Reforms to public sector exit payments: response to the consultation	https://www.gov.uk/government/consultations/further-consultation-on-limiting-public-sector-exit-payments http://www.legislation.gov.uk/ukxi/2017/70/pdfs/ukxi_20170070_en.pdf	<p>Put back as a result of General Election and lack of Parliamentary time</p> <p>Further consultation on the claw back for re-employment in first year and setting the exit cap at £95k are still awaited</p> <p>The third more broader proposals in the third consultation no further development on these</p>
HM Revenues & Customs	Revenue and Customs Brief 14 (2016): VAT, Deduction of VAT on pension fund management costs following Court of Justice of the European Union	https://www.gov.uk/government/publications/revenue-and-customs-brief-14-2016-vat-deduction-of-vat-on-pension-fund-	<p>Changes to the reclamation of VAT on fund management costs may affect LGPS funds once pooling is in place. These changes were originally due with effect from 1st January 2017 but have now been pushed back to 1st January 2018. Project Brunel will be keeping an eye</p>

	decision in PPG	management-costs-following-court-of-justice-of-the-european-union-decision/revenue-and-customs-brief-14-2016-vat-deduction-of-vat-on-pension-fund-management-costs-following-court-of-justice-of-the-european-union-decision	on how it is evolving and take appropriate advice. Consultation closed 31 December 2017
MHCLG	DCLG is now MHCLG		As a result of the recent Government reshuffle the Department was renamed Ministry of Housing, Communities and Local Government
	LGPS Regulations: Draft Amendment Regulations with Best Value & Fair Deal consultation and freedom and Choice options	https://www.gov.uk/government/consultations/local-government-pension-scheme-regulations	This consultation covered Best Value and Fair Deal for the transfer of staff.. Changes to regulations for Freedom and Choice The other amendments were operational Some movement on Consultations is expected later in 2018
UPDATED	MHCLG Resources		MHCLG have staffing pressures where a member of staff has left and will not be replaced Have Con Hargeaves has been seconded from LGA for an initial 6 months period primarily to work on the Best Value / Fair Deal amendments
New	Insolvency regime for further education and sixth form colleges technical consultation	Technical and Further Education Act 2017 http://www.legislation.gov.uk/ukpga/2017/19/contents Consultation https://consult.education.gov.uk/fe-college-quality-and-resilience-team/fe-insolvency-regime/	In July 2016 the Department for Business, Innovation and Skills (BIS) published a consultation to develop an Insolvency Regime for the Further Education and Sixth Form College Sector. Following changes in departmental responsibilities, this consultation was later taken over by the Department of Education. The to the consultation on 5 August 2016, LGA responded raising concerns that all steps are taken to prevent any risk arising that the pension liability of a college falls on to other employers in an LGPS fund, and ultimately the taxpayer. the Technical and Further Education Act 2017 set out the framework for an insolvency regime, which applies aspects of existing insolvency law to further education and sixth form colleges in England and Wales. A further consultation (which opened on 18 December 2017 and closes on 12 February 2018) from the Department of Education, seeks views on the technical detail of the

			insolvency regime and sets out proposals as to how colleges at risk of (or in) insolvency will be dealt with in practice. It also outlines plans to further improve monitoring and support available to colleges in financial difficulty.
UPDATED	Co habiting Partners Update Elmes v Essex CC		As a result of the Brewster court case in Northern Ireland there was some uncertainty as to whether this could be applied to the LGPS in England and the result of this subsequent case was awaited It was declared that <i>“The requirement to nominate a person under regulations 24 and 25 of the LGPS (Benefits, Membership and Contributions) Regulations 2007 is incompatible with Article 1 of the first Protocol to, and Art 14 of, the European Convention on Human Rights and must therefore be disapplied”</i> . The outcome of this case effectively removes the requirement for a nomination form from regulations and enables an LGPS administering authority to pay a partner’s pension, to the partner (who meets the definition of co-habiting partner set out in schedule 1 of the LGPS Regulations 2013) of a deceased member who died without completing a nomination form, and it is therefore required that all such cases within the period 1 April 2008 to 1 April 2014 are reassessed. The 2013 scheme regulations do not have this restriction.
The Pension Regulator (TPR)	TPR provides guidance for trustees setting and monitoring investment strategies PN17-12 [30/03/2017] Clarification sought from TPR on LGPS implications [27/4/2017] (Follow up sent 30/05/2017)	http://www.thepensionsregulator.gov.uk/press/pn17-12.aspx Response from TPR	As part of its strategy to produce simpler guidance for occupational pension schemes, The Pensions Regulator (TPR) has recently published new investment guidance for trustees. The guidance was developed for trust-based DB schemes and is not explicitly for LGPS funds, but some of the principles will apply to LGPS funds so they may wish to consider it as appropriate.
	Public Sector pensions website update	http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx	The Regulator dedicated public sector web pages provides a wealth of information regarding its Code of Practice 14 and public service toolkit. The toolkit which provides a foundation to effective scheme governance and administration has been updated and additional guides and checklist published.
	Annual survey of public sector schemes	http://www.thepensionsregulator.gov.uk/docs/public-service-research-2017.pdf	The 2017 annual benefit statements were despatched and the Fund will be considering the findings of the Regulator’s 2016 annual survey results and any actions required to be implemented relating to governance, internal controls, record keeping and member communication.

Information Commissioners Office	General Data Protection Regulations (GDPR)	https://ico.org.uk/for-organisations/dataprotection-reform/overview-of-the-gdpr/	<p>Comes into effect in May 2018 and replaces the Data Protection Act 1998. Introduces new obligations on data controllers. The Fund is both a data controller and a data processor and needs to ensure that it has appropriate processes in place in order to comply with the changes being introduced.</p> <p>Avon Pension Fund is working closely with other depts. In B&NES and seeking cooperation with other Funds in developing project plans, Sessions have been held with the Chief Auditor. The Pensions Manager is involved within the B&NES process for rolling out.</p> <p>LGA on behalf of LGPS Administering Authorities, have commissioned Squire Patton Boggs to produce the following. Expected in March 2018.</p> <p>1. 'Template privacy statements' specifically for LGPS administering authorities that administering authorities can use /adapt:</p> <p>a. A detailed privacy notice – setting out the information to be provided under articles 13 and 14 of the GDPR.</p> <p>b. A summary privacy notice for use in newsletters / annual benefit statements etc. –</p> <p>2. A memorandum of understanding document for employers - the aim of this document is to set out that participating employers in the LGPS are able to share data with the LGPS administering authority without a data sharing agreement being in place (i.e. that there is no legal requirement for employers to have a data sharing agreement with LGPS administering authorities as they are both data controllers).</p>
Financial Conduct Authority (FCA) UPDATED	CP16/29: Markets in Financial Instruments Directive II implementation – Consultation Paper III	https://www.fca.org.uk/publication/consultation-papers/cp16-29-mifid-ii-implementation	<p>The FCA will be issuing its response and any changes to the criteria to enable LGPS funds to opt up more easily by end of June 2017.</p> <p>The FCA has set the opt up criteria to take the LGPS decision making characteristics into account. The opt up template for LGPS funds has been issued. Funds are required to opt up before 1 Jan 2018</p>
Scheme Advisory Board(SAB)	Academies' review	http://www.lgpsboard.org/index.php/structure-reform/review-of-academies	<p>Ministers agreed that DfE, DCLG, GAD and the Board should continue to work closely together to pursue solutions, engaging key stakeholders including pension funds, actuarial firms and academy trusts as appropriate.</p>

consultation	Academies		<p>The next stage will be to gather relevant evidence and develop specific proposals for change that the Board will consider before submitting its recommendations to Ministers for their consideration.</p> <p>The SAB is undertaking work to set out options for managing the academy sector within the LGPS. The have published a consultation on the objectives for the next stage of the consultation. The Fund's response was approved at Sept 2017 Pensions Committee.</p>
consultation	Cross Pooling		<p>The SAB has agreed in principle to establish an elected member led Cross Pool Forum to share and disseminate information on the pooling of LGPS assets. The consultation covers the remit, membership and frequency of the proposed forum. The same consultation also seeks views on whether a one off open session on progress towards pooling should be organised for chairs of committees and boards. The Fund's response was approved at Sept 2017 Pensions Committee.</p>
NEW	Tier 3 employers	http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid	<p>Covers those Fund employers with no tax raising powers or guarantee. SAB is keen to identify the risk to LGPS Funds of default by such employers.</p> <p>There are currently two concurrent phases of work involved – collating data and identification of issues.</p> <p>SAB tier 3 employer project carried out by Aon Hewitt– extension of surveys deadline to 31 January 2018 APF have completed survey</p> <p>SAB will then assess the risks to Funds and consider next steps.</p>

Those highlighted in Grey are those previously reported but no further developments or updates have occurred

These will then be removed from next list unless further developments are expected