

Bath & North East Somerset Council		
MEETING	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING	30 November 2021	Agenda Item Number
TITLE:	Update on Legislation	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report: Appendix 1 – Current matters affecting LGPS administration 19 November 2021</p>		

1 THE ISSUES

- 1.1 The purpose of this report is to update the Pensions Board on the latest position concerning the Local Government Pension Scheme [LGPS] and any proposed regulatory matters that could affect scheme administration. An updated list is included in Appendix 1.

2 RECOMMENDATION

The Pension Board is asked to:

- 2.1 Note the current position regarding the developments that could affect the administration of the fund.

3 THE REPORT

The table below provides a summary of the main regulatory updates since the last meeting, including brief comment on what the implications are for the Fund and what next steps will be. Further details can be found in the updated list included in Appendix 1. Alongside the matters listed in the table below, the Appendix also includes an update on the following matters: the Exit Cap, Minimum Pension Age, and Responsible Investment.

Item	Latest Position	Relevant Links	Action by Fund / Next Steps
<p>General Announcements</p> <p>(N.B. Not included in Report)</p>	<p>Since the last meeting it has been announced that:</p> <p>The Ministry for Housing, Communities and Local Government (MHCLG) will become the Department for Levelling Up, Housing and Communities (DLUHC)</p> <p>The new Local Government Minister will be Kemi Badenoch MP</p>	<p>https://www.gov.uk/government/news/ambitious-plans-to-drive-levelling-up-agenda</p> <p>https://www.gov.uk/government/people/kemi-badenoch</p>	<p>No action required but to note that the appointment of the new minister is likely to lead to some delays in certain areas compared with prior timetables/expectations.</p>
<p>McCloud Judgment</p>	<p>The Public Sector Pensions and Judicial Offices Bill got its second reading in the House of Lords in September and moved to the Committee Stage on 11 October 2021, followed by the Report Stage on 29 November.</p> <p>Outside of the LGPS, a framework set out by the FBU and LGA in relation to the McCloud Judgment in the Firefighter Schemes requires “Immediate Detriment” cases to be processed in the coming weeks.</p>	<p>https://hansard.parliament.uk/lords/2021-09-07/debates/11830B14-E633-4C98-891F-9BEB6E3EAA67/PublicServicePensionsAndJudicialOfficesBill(HL)</p> <p>https://bills.parliament.uk/bills/3032</p>	<p>Fund to continue work on collating/analysing data from employers in relation to implementing the remedy.</p> <p>Fund to consider resource implications of the need to process Immediate Detriment cases in the Firefighter Scheme.</p>
<p>Cost Control Mechanism</p>	<p>HMT has published both a response to its consultation on the cost management process, and also directions for the 2016 valuation cost controls.</p> <p>SAB have since formally published its report on the 2016 valuation cost management review, which confirms no change to benefits.</p>	<p>https://www.gov.uk/government/consultations/public-service-pensions-cost-control-mechanism-consultation</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1023845/The_Public_Service_Pensions_Valuations_and_Employer_Cost</p>	<p>No immediate action – await further guidance on how revised cost management process will be implemented, in particular with regard to economic check, and also await further update on SAB Tier 3 / employee contribution review.</p> <p>Progress of new Judicial Review by FBU (and BMA) to be followed given may be implications for LGPS at a later stage.</p>

	<p>A response to the consultation issued in relation to SCAPE discount rate methodology still awaited.</p> <p>Outside of the LGPS process the FBU have issued a formal letter before claim for Judicial Review proceedings against the government with regard to the inclusion of the McCloud Judgment in the 2016 cost management process.</p>	<p>Cap Amendment Directions 2021.pdf</p> <p>https://www.lgpsboard.org/index.php/projects/cost-management</p> <p>http://fbu.org.uk/news/2021/11/04/fbu-preparing-take-government-court-over-pensions</p>	
<p>The Pension Dashboard</p>	<p>The PDP has now published a summary of responses to the call for input issued in June together with confirmation of the draft timetable for Regulations and its latest progress report.</p>	<p>https://www.pensionsdashboardsprogramme.org.uk/staging-call-for-input-summary/</p> <p>https://www.pensionsdashboardsprogramme.org.uk/2021/10/26/october-21-progress-update-what-happens-next/</p>	<p>The Fund has recently appointed a dedicated Pensions Dashboard officer to manage the PDP project internally and ensure the Fund is prepared for the requirements of the new regulations once they are published e.g. data quality, ISP considerations and ensuring sufficient resource is available.</p>

4 FINANCIAL IMPLICATIONS

- 4.1 The administrative and management costs incurred by Avon Pension Fund are recovered from the employing bodies through the employer's contribution rates.
- 4.2 Any other specific financial implications will be reported as appropriate.

5 RISK MANAGEMENT

- 5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 EQUALITIES STATEMENT

- 6.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

7 CLIMATE CHANGE

- 7.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

- 9.1 The Council's Monitoring Officer and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

Contact person	<i>Geoff Cleak, Pensions Manager; Tel 01225 395277</i>
Background papers	<i>LGA Bulletins SAB Meeting Minutes National Technical Group Meeting Minutes</i>
Please contact the report author if you need to access this report in an alternative format	