

Appendix 1

Item	Latest Position	Relevant Links	Action by Fund / Next Steps
<p>McCloud Judgment</p>	<p>On 15 November 2023, a technical guide was issued to Funds to assist administering authorities with implementing the McCloud remedy. Given the breadth and complexity of the project (and that further guidance still awaited in certain areas), this was the first instalment of the technical guide more are to follow. An informal consultation on the statutory guidance is expected in the coming weeks.</p> <p>Further communications have taken place between the Teachers Pension Scheme (TPS) and employers/administering authorities with regard to collating data so the remedy in relation to the Teachers' excess service element of the Judgment can be implemented.</p> <p>In January, DLUHC issued new LGPS actuarial guidance confirming how the McCloud remedy should be reflected in certain calculations, namely early/late retirements, transfers in/out and also interfunds.</p>	<p>https://lgpslibrary.org/assets/gas/uk/Underpinv1.0.pdf</p> <p>https://www.teacherspensions.co.uk/news/employers/2023/10/transitional-protection-and-members-with-local-government-pension-scheme-lgps-linked-excess-service.aspx</p> <p>https://www.teacherspensions.co.uk/employers/scheme-changes/local-government-pension-scheme/managing-lgps-linked-excess-service?</p> <p>https://www.lgpsregs.org/schemeregs/actguidance.php</p>	<p>Whilst administration software had been updated to enable business as usual cases to be processed by the administration team, an issue subsequently emerged when a new version of the software was released in early December 2023 and this issue was only resolved in February 2024. The issue meant that the admin team needed to be extra vigilant with any McCloud calculations and where wrong, these had to be manually amended.</p> <p>The Fund are also working through a number of system issues for McCloud which have been identified by the software provider since switching on the McCloud functionality in October 2023.</p> <p>The updated guidance issued by DLUHC in relation to transfer calculations also now needs to be reflected in processes within the administration team. Further guidance and support on other calculations is still awaited.</p>

Appendix 1

			<p>There remains a lot of work for the team to undertake to implement the remedy in full both in terms of calculations and communications including any potential retrospective tax adjustments alongside the remedy itself. The team will continue to rely on central support and also external advisory support as part of this process given the complex nature of some elements of the remedy.</p>
<p>Codes of Practice</p>	<p>On 10 January 2024, the Pensions Regulator (TPR) published the final version of its much-anticipated new general code of practice (‘the Code’). The Code has to be laid before Parliament for a set period, and TPR has said that it expects the Code to come into force on 27 March 2024 and a web-based modular version will become available at this time.</p> <p>There appears to be no major surprises with the final version and much of the draft code (last consulted on in March 2021) remains. There have been a number of areas/requirements within the Code that have been clarified though in response to the consultation. In particular for the LGPS, the definition of Governing Body for public service pension schemes, which has been confirmed to be the scheme manager.</p>	<p>https://www.thepensionsregulator.gov.uk/en/document-library/consultations/new-code-of-practice</p>	<p>The Fund has already established a workplan to consider what action needs to be taken to ensure the requirements of the General Code will be met and this will be updated as further details emerge for LGPS Funds on what “must” be done and what would be “good practice” to do.</p>

Appendix 1

	<p>There are 51 modules in total in the code although not all will directly apply to LGPS funds. There are some areas though that will be deemed “good practice” to follow rather than “must” follow.</p>		
<p>Pensions Dashboard</p>	<p>LGA have now issued their draft LGPS Pensions Dashboards connection guide. The guide outlines stages that administering authorities need to allow for, in order to connect to the dashboards ecosystem, as well as setting out decisions to be made and actions required to be undertaken by authorities.</p> <p>A final version of the guide is due to be published in due course, once the Money and Pension Service (MaPS) have issued their guidance on the staged timetable for connection and this is expected to be published in Spring 2024.</p> <p>Alongside the above, further guidance/communications have been issued by the Pension Administrators Standards Association and the Pensions Dashboards Programme in relation to connection / FAQs.</p>	<p>https://lgpslibrary.org/assets/gas/uk/PDv0.1.pdf</p> <p>https://www.pasa-uk.com/wp-content/uploads/2023/12/PASA-Connection-Readiness-Guidance-FINAL.pdf</p> <p>https://www.pasa-uk.com/wp-content/uploads/2023/12/CR-call-to-action-FINAL.pdf</p> <p>https://www.pensionsdashboardsprogramme.org.uk/category/news/blogs/</p> <p>https://www.pensionsdashboardsprogramme.org.uk/frequently-asked-questions-newsletter/</p>	<p>A separate update will be provided on this item in the administration report in relation to what actions have/are being taken by the Fund.</p>

Appendix 1

<p>Levelling Up / Pooling</p>	<p>At the end of November 2023, the Government issued its response to the Next Steps on Investments Consultation. Despite acknowledging material pushback from respondents to a large number of the initial proposals, the Government have largely pressed ahead with the initial proposals unchanged although there were some welcome changes/clarifications , including a “comply or explain” basis in relation to the 31 March 2025 pooling deadline. Further guidance is now awaited.</p>	<p>https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-next-steps-on-investments/outcome/local-government-pension-scheme-england-and-wales-next-steps-on-investments-government-response</p>	<p>The pooling guidance, once published, will be considered further by the investment team.</p>
<p>Responsible Investment</p>	<p>In November 2023, a report was received by the Scheme Advisory Board from Amanah Associates, experts in Islamic finance, who the Board had commissioned to assess whether the LGPS is Sharia compliant and to consider views that Muslim members may have regarding this issue.</p> <p>The Board published the report in January 2024. The report concluded that there were no any barriers to Muslim members contributing to the LGPS and receiving the benefits offered.</p> <p>The Board has confirmed that it’s unable to implement directly any recommendations from the</p>	<p>https://lgpsboard.org/images/Reports/ShariaandLGPS/An_Opinion_on_the_Shariah_Compliance_of_LGPS.pdf</p>	<p>These updates, and the impact on the Fund, will be considered further by the investment team as the position develops and any recommendations emerge.</p>

Appendix 1

	<p>report given that any changes to the rules of the scheme have to be agreed by the Minister, following SAB recommendation. No such changes will be considered until further advice from Counsel has been received.</p>		
<p>Pension Taxation</p>	<p>As expected HM Treasury (HMT) announced in the Autumn Statement in November that the lifetime allowance (LTA) will be abolished from 6 April 2024 and the abolition was subsequently included in the draft Finance Bill 2023 that was published on 29 November 2023.</p> <p>Further publications have been released by HMT and HMRC setting out the implications of the LTA abolition in terms of taxation of lump sum benefits, treatment of any protections and also transitional arrangements and reporting requirements.</p>	<p>https://www.gov.uk/government/publications/autumn-statement-2023</p> <p>https://bills.parliament.uk/bills/3514</p> <p>https://www.gov.uk/government/publications/abolition-of-the-lifetime-allowance-from-6-april-2024/abolition-of-the-lifetime-allowance-lta</p> <p>https://www.gov.uk/government/publications/lifetime-allowance-guidance-newsletter-december-2023/lifetime-allowance-guidance-newsletter-december-2023</p> <p>https://www.gov.uk/government/publications/pension-schemes-newsletter-155-january-2024</p>	<p>Whilst the removal of the LTA will be beneficial to members, there remains a number of practical considerations that the administration team will need to take into account when implementing the changes. These will also need to be communicated to members.</p> <p>Further guidance is awaited.</p>
<p>Cyber Security</p>	<p>On 11 December 2023, recognising the increasing cyber security risks faced by schemes, TPR issued updated guidance to Fund officers relating its cyber</p>	<p>https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2023-press-</p>	<p>The Fund continues to assess and monitor the risks associated with Cyber Security.</p>

Appendix 1

	<p>security principles that were first introduced back in 2018.</p> <p>The principles build on those set out previously in relation to roles and responsibilities and focus on assessing and understanding risks, ensuring controls are in place, and also responding to, and reporting of, incidents.</p> <p>TPRs General Code also included a new module in relation to Cyber Controls.</p>	<p><u>releases/cyber-security-guidance-revised-to-help-tackle-threat</u></p> <p><u>https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/cyber-security-principles</u></p>	
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