

**APPENDIX 1**

<b>Item</b>	<b>Latest Position</b>	<b>Relevant Links</b>	<b>Action by Fund / Next Steps</b>
<p><b>McCloud Judgment</b></p>	<p>A closed consultation on the draft McCloud Statutory guidance ran between March 2024 and April 2024. Generally, across the sector, a number of concerns have been raised on the issues of administrative burden, communication challenges, and consistency of treatment both within the LGPS and across the public sector. A response to the latest consultation is awaited.</p> <p>Aside, ongoing work continues in relation to the Teachers' excess service element of the judgment, the impact on pension taxation and also around the level of communication needed for the 2024 Annual Benefit Statements.</p>	<p><a href="https://www.gov.uk/government/publications/pensions-schemes-newsletter-158-april-2024">https://www.gov.uk/government/publications/pensions-schemes-newsletter-158-april-2024</a></p> <p><a href="https://www.youtube.com/watch?v=970W5cupZ18">https://www.youtube.com/watch?v=970W5cupZ18</a></p>	<p>The administration team are processing business as usual cases to be compliant with the McCloud regulations although they still are having to be vigilant as subsequent issues have been found with calculations following the release of further software versions.</p> <p>Systems and Quality Assurance are still working through the system issues which were identified by the software provider since switching on the McCloud functionality in October 2023. These are being fixed in bulk and will ensure that the scope of the McCloud Remedy is accurate, in terms of population and cost.</p> <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 before August 2025. The team will continue to rely on central support and external advisory support as part of this process given the complex nature of some elements of the remedy.</p>
<p><b>Codes of Practice / Good Governance</b></p>	<p>Following on from publication of the General Code of Practice in January 2024, this became effective on 28 March 2024.</p> <p>Whilst there aren't any definitive timescales set out by the Regulator in relation to public service pension schemes, there is a general expectation for Funds to have considered the Code and</p>	<p><a href="https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice">https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice</a></p>	<p>The Fund has established a workplan to consider what action needs to be taken to ensure the requirements of the General Code will be met. A toolkit has been used to identify key areas for review.</p>

	<p>assessed what work will be required to adhere to the Code over the next few months.</p> <p>Whilst a further consultation on the outcomes of the SAB's Good Governance project was expected in the summer, this may now be delayed due to the General Election.</p>		
<b>Pensions Dashboard</b>	<p>Guidance issued by the DWP in March 2024, accompanied by a Written Ministerial Statement sets out further details of the staged timetable and confirms 31 October 2025 as the target staging date for public service pension schemes.</p> <p>Alongside the above, a consultation has been run by the FCA relating to guidance for firms intending to offer dashboards for customers, PDP have issued updated Data Standards and DWP have issued updated Deferred Connection guidance.</p> <p>In addition, further guidance/communications have been issued by the Pensions Dashboards Programme via blogs and regular updates.</p>	<p><a href="https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-connection-the-staged-timetable">https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-connection-the-staged-timetable</a></p> <p><a href="https://hansard.parliament.uk/Comm/2024-03-25/debates/24032527000019/PensionsDashboard">https://hansard.parliament.uk/Comm/2024-03-25/debates/24032527000019/PensionsDashboard</a></p> <p><a href="https://www.fca.org.uk/publications/consultation-papers/cp24-4-further-consultation-regulatory-framework-pensions-dashboard-service-firms">https://www.fca.org.uk/publications/consultation-papers/cp24-4-further-consultation-regulatory-framework-pensions-dashboard-service-firms</a></p> <p><a href="https://www.pensionsdashboardsprogramme.org.uk/standards/data-standards/">https://www.pensionsdashboardsprogramme.org.uk/standards/data-standards/</a></p> <p><a href="https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-deferred-connection">https://www.gov.uk/government/publications/pensions-dashboards-guidance-on-deferred-connection</a></p> <p><a href="https://www.pensionsdashboardsprogramme.org.uk/category/news/blogs/">https://www.pensionsdashboardsprogramme.org.uk/category/news/blogs/</a></p> <p><a href="https://www.pensionsdashboardsprogramme.org.uk/pur/">https://www.pensionsdashboardsprogramme.org.uk/pur/</a></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>
<b>Pension Taxation</b>	<p>The Lifetime Allowance was formally abolished with effect from 6 April 2024 via the Finance Act 2024. Two new limits – the Lump Sum Allowance (LSA)</p>	<p><a href="https://www.legislation.gov.uk/ukpga/2024/3/contents/enacted">https://www.legislation.gov.uk/ukpga/2024/3/contents/enacted</a></p>	<p>Whilst the removal of the LTA is beneficial to members, there are a number of practical considerations that the administration team</p>

	<p>and the Lump Sum and Death Benefit Allowance (LSDBA) are now in force.</p> <p>To support administering authorities implement the changes, given the complexities that can emerge, the LGA published a guide in March 2024. This was subsequently updated in May 2024 to provide further guidance on how Pension Commencement Excess Lump Sums (PCELS) may be treated in the absence of a consultation on the long-term policy for the LGPS.</p> <p>Further publications continue to be 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. In particular a consolidated FAQ document has been published. The Pensions Tax Manual has also been updated.</p>	<p><a href="https://lgpslibrary.org/assets/gas/uk/Abolition%20of%20the%20lifetime%20allowance%20v2.2.pdf">https://lgpslibrary.org/assets/gas/uk/Abolition%20of%20the%20lifetime%20allowance%20v2.2.pdf</a></p> <p><a href="https://www.gov.uk/government/publications/pensions-schemes-newsletter-159-april-2024/lifetime-allowance-lta-abolition-frequently-asked-questions">https://www.gov.uk/government/publications/pensions-schemes-newsletter-159-april-2024/lifetime-allowance-lta-abolition-frequently-asked-questions</a></p> <p><a href="https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/updates">https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/updates</a></p>	<p>are having to take into account when implementing the changes. The member website and other documents need to be re-drafted for the changes to the LTA, so that communications to members are clear and accurate.</p> <p>Whilst the central guidance produced is helpful, there remains a lot of work to be undertaken by the Technical Team in this area. Member queries are expected to emerge, which will also require resource to manage.</p>
<p><b>Cost Management / Section 13</b></p>	<p>The Scheme Advisory Board will soon publish the final report of its cost management assessment process following on from the HMT process which concluded recently. In line with the HMT conclusions that were published in March 2024, SAB have commented that they don't expect to be recommending any changes to Scheme Benefits.</p> <p>Although not directly linked to the LGPS, in April, the Court of Appeal upheld the High Court's decision to dismiss the judicial review brought against the Treasury (by the British Medical Association and the Fire Brigades Union) in</p>	<p><a href="https://www.gov.uk/government/news/gad-completes-2020-actuarial-valuations">https://www.gov.uk/government/news/gad-completes-2020-actuarial-valuations</a></p> <p><a href="https://www.bailii.org/cgi-bin/format.cgi?doc=/ew/cases/EWC A/Civ/2024/355.html">https://www.bailii.org/cgi-bin/format.cgi?doc=/ew/cases/EWC A/Civ/2024/355.html</a></p>	<p>Further publications will be considered accordingly once released.</p>

	<p>relation to the inclusion of McCloud costs as member costs in the Treasury's cost control mechanism. The FBU is seeking permission to appeal in the Supreme Court.</p> <p>Aside, the Government Actuary's Department has begun liaising with Funds in relation to its Section 13 report on the 2022 actuarial valuation. The report is expected to be published in the autumn.</p>		
<b>Levelling Up / Pooling</b>	<p>On 15 May 2024, the local government minister Simon Hoare MP wrote to all Pension Committee Chairs and administering authority S151 officers in England setting out questions in relation to pooling progress and LGPS efficiencies, including governance.</p>	<p><a href="https://lgpsboard.org/images/PDF/letters/240515Efficiencies_LGPS_Ministerial_Letter.pdf">https://lgpsboard.org/images/PDF/letters/240515Efficiencies_LGPS_Ministerial_Letter.pdf</a></p>	<p>A response to the letter will be considered accordingly by the Fund and if still required (due to the General election) it will be submitted prior to the 19 July deadline.</p>
<b>Responsible Investment</b>	<p>Following on from publication of the report prepared by Amanah Associates for the Scheme Advisory Board in relation to Sharia Law, advice from Counsel in relation to the report has been produced.</p> <p>The Economic Activity of Public Bodies (Overseas Matters) Bill had reached the House of Lords Committee stage but dissolution of parliament on 30 May has meant this won't go any further for the moment. The LGA have produced a technical briefing in relation to the Bill.</p>	<p><a href="https://lgpsboard.org/images/LegalAdviceandSummaries/20240306_SABSummary_LydiaSeymourCounsel_legaladviceonShariaLawandtheLGPS.pdf">https://lgpsboard.org/images/LegalAdviceandSummaries/20240306_SABSummary_LydiaSeymourCounsel_legaladviceonShariaLawandtheLGPS.pdf</a></p> <p><a href="https://publications.parliament.uk/pa/bills/cbill/58-03/0325/220325.pdf">https://publications.parliament.uk/pa/bills/cbill/58-03/0325/220325.pdf</a></p> <p><a href="https://www.local.gov.uk/parliament/briefings-and-responses/economic-activity-public-bodies-bill-committee-stage-house-lords">https://www.local.gov.uk/parliament/briefings-and-responses/economic-activity-public-bodies-bill-committee-stage-house-lords</a></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>
<b>Academies</b>	<p>The Education and Skills Funding Agency (ESFA) published in April 2024 new best practice guidance for Academies covering key areas including an overview of the LGPS, Valuations, the DfE</p>	<p><a href="https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/local-government-pension-scheme-lgps">https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/local-government-pension-scheme-lgps</a></p>	<p>The Fund will make existing/new academies aware of the latest best practice guidance to assist with their understanding any decision making in relation to the LGPS participation and obligations to the Fund.</p>

	<p>guarantee, pooling, conversions and transfers and LGPS engagement.</p> <p>The ESFA also updated its guidance relating to the guarantee in May.</p>	<p><a href="https://www.gov.uk/government/publications/academies-and-local-government-pension-scheme-liabilities">https://www.gov.uk/government/publications/academies-and-local-government-pension-scheme-liabilities</a></p>	
<p><b>Annual Report Guidance</b></p>	<p>Joint guidance produced by SAB, DLUHC and CIPFA was published in March 2024 to assist LGPS funds in the preparation and publication of the pension fund annual report and to ensure consistency of reporting across funds. SAB published a follow-up explainer document in April 2024 highlighting where significant changes have emerged.</p> <p>Whilst applying to 2023/24 annual reports, compliance in full with the requirements will be on a best endeavours basis for 2023/24 depending on the disproportionate effort/cost involved in updating prior content.</p> <p>The guidance will be reviewed at the end of 2024.</p>	<p><a href="https://lgpsboard.org/images/Guidance/Annual%20Report%20Guidance%202024.pdf">https://lgpsboard.org/images/Guidance/Annual%20Report%20Guidance%202024.pdf</a></p> <p><a href="https://lgpsboard.org/images/Annual%20report%20guidance%202024%20explainer%20final.pdf">https://lgpsboard.org/images/Annual%20report%20guidance%202024%20explainer%20final.pdf</a></p>	<p>Where possible, the Fund will look to comply in full to the new guidance and work has already started on the structure of the report.</p>