

Appendix 1 – Regulatory Update

Item	Latest Position	Relevant Links	Action by Fund / Next Steps
Department / Ministerial Changes	<p>Following the General Election in July 2024, the Department for Levelling Up Housing and Communities has reverted back to being the Ministry for Housing Communities and Local Government.</p> <p>The chair of the Scheme Advisory Board also wrote a letter to the new local government minister, Jim McMahon MP.</p>	<p>https://lgpsboard.org/images/MinisterialLetters/18072024_Welcome_letter_to_Jim_McMahon_from_Cllr_Phillips.pdf</p>	<p>None – information only</p>
Cost Management / Section 13	<p>The Scheme Advisory Board has published its final report in relation to its cost management assessment. The Board has issued a letter to the Secretary of State informing them of the outcome of the review and the Board's conclusion that no recommendations for benefit changes will be made.</p> <p>The Government Actuary's Department has also published its Section 13 report on the 2022 actuarial valuation with three recommendations to the Scheme Advisory Board set out focussing on consistency of reporting, availability of guidance and further consideration of surplus/deficit treatment and asset transfers.</p>	<p>https://lgpsboard.org/images/CM/SCA%202024%20final%20report.pdf</p> <p>https://lgpsboard.org/images/MinisterialLetters/Letter%20to%20Jim%20McMahon%20from%20Cllr%20Phillips%20-%20SCA.pdf</p> <p>https://www.gov.uk/government/news/review-of-lgps-fund-valuations</p>	<p>No immediate action – Section 13 outcomes to be considered separately as part of planning for the 2025 actuarial valuation.</p>
McCloud Judgment	<p>In June 2024, the final guidance on the McCloud implementation was issued by DLUHC (now MHCLG) and will serve to assist administering authorities implementing the McCloud judgment by setting out the Government's view on certain cases where a consistent approach across all schemes should be adopted, together with additional guidance on how to address certain technical issues. In addition, a number of updated guidance materials have been produced in both England, Wales and Scotland to help administering authorities implement the remedy in relation to CETVs, pension debits, interest and trivial commutation.</p> <p>MHCLG also issued a short consultation in June 2024 to relevant stakeholders in relation to the issuing of Annual Benefit Statements in 2023/24 and 2024/25 and the inclusion of information relating to the underpin. The consultation contained draft regulations that would mean administering authorities would not need to include underpin information in the 2023/24 ABS's in line with the original government response to the 2020 consultation. The consultation also sought views on whether the above change would extend to the 2024/25 ABSs' too but on a discretionary basis only.</p> <p>MHCLG laid the LGPS (Information) Regulations on 28 August 2024 thereby removing the requirement to include estimated underpin information in the 2023/24 statements (and thereby removing the need to report a breach of law to the Regulator).</p>	<p>https://lgpslibrary.org/assets/statgui/ew/202406McCloud.pdf</p> <p>https://www.lgpsregs.org/resources/guidesetc.php</p> <p>https://lgpslibrary.org/assets/gas/ew/ABS%20v3.0c.pdf</p>	<p>The ABS statements issued by the team in August 2024 did not include estimated information relating to the underpin. Whilst the regulatory change removes the need to report a breach to TPR, further consideration will be needed in the lead up to the 2025 exercise whether to exclude the underpin on a discretionary basis for some members. Further guidance is now awaited.</p> <p>More generally, the team is continuing to work towards implementing the remedy in line with the various guidance documents that have been published to date. In relation to the administration system, a further update has been released that seeks to correct some of the issues previously identified regarding bulk calculations for pensioners. The team will be testing the new release in due course before continuing the remedy exercise.</p> <p>Overall, there remains a lot of work for the team to undertake to implement the remedy in full both in terms of calculations and communications. 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>

			Aside, APF are to set up a project team to work on the Teachers' excess service element of the judgment. Employers have started to supply details of affected members.
Codes of Practice / Good Governance	Whilst significant progress had been made by the SAB working group and MHCLG in terms of the draft regulations and consultation document to implement the Good Governance recommendations, the General Election in July 2024 and subsequent change in government/minister has further delayed this process. In its letter to the new minister, Jim McMahon MP on 18 July 2024, the SAB chair urged the minister to give early approval to press ahead with these initiatives.	https://lgpsboard.org/images/MinisterialLetters/18072024_Welcome_letter_to_Jim_McMahon_from_Cllr_Phillips.pdf	Further updates on Good Governance recommendations are awaited, which the Governance team will consider once confirmed.
Pensions Dashboard	Further guidance/communications have been issued by the Pensions Dashboards Programme via blogs and regular updates, and other interested parties e.g. LGA / PASA etc. In particular, the LGA has published a final version of its LGPS Pensions Dashboards Guide (alongside an AVC guide).	https://lgpslibrary.org/assets/gas/uk/LGPS%20Pensions%20Dashboards%20connection%20guide%20v1.0.pdf https://lgpslibrary.org/assets/gas/uk/LGPS%20AVCs%20and%20Pensions%20Dashboards%20administrator%20guide%20v1.0.pdf https://www.pasa-uk.com/data-wg-data-presence-v-accuracy/pasa-dwg-data-accuracy-vs-data-presence-final/ https://www.pasa-uk.com/an-update-from-the-pasa-dashboards-working-group-spring-2024/	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.
Pension Taxation	In order to address technical inaccuracies identified with the legislation that abolished the lifetime allowance, HMRC confirmed in their August 2024 newsletter that a short technical consultation took place (closed on 14 August) with the aim of introducing the necessary regulations as soon as possible after the summer recess ends in parliament.	https://www.gov.uk/government/publications/pensions-schemes-newsletter-161-august-2024	Whilst the removal of the LTA is beneficial to members, there remains a number of practical considerations that the administration team are taking into account when processing members benefits.
Consultation on the Increase to the Normal Minimum Pension Age (NMPA)	In August 2024 PASA published guidance on preparing for the change to the increase in the NMPA from 6 April 2028 including a checklist of actions for schemes. Confirmation though on whether a protected pension age will apply in the LGPS is still awaited.	https://www.pasa-uk.com/pasa-releases-guidance-on-preparing-for-the-change-to-nmpa/	The team will need to ensure that calculation processes/member communications are updated accordingly in due course to reflect the changes that will emerge, including any protections that are confirmed.
Pensions Review / Pension Schemes Bill	In July 2024, following announcement of a Pension Schemes Bill in the Kings Speech, the Government issued a press release announcing the launch of landmark pensions review. The release included reference as to how to “unlock the investment potential of the £360 billion LGPS” and “tackle the £2 billion that is being spent on fees”. Mandatory pooling and benefits of further consolidation will also be considered. The Terms of Reference for Phase One of the review were released in August and will focus on investment.	https://www.gov.uk/government/speeches/the-kings-speech-2024 https://www.gov.uk/government/publications/kings-speech-2024-background-briefing-notes	These updates, and the impact on the Fund, will be considered further by the investment team as the position develops and any recommendations emerge.

		https://www.gov.uk/government/news/chancellor-vows-big-bang-on-growth-to-boost-investment-and-savings https://www.gov.uk/government/publications/pensions-review-terms-of-reference-phase-one	
Responsible Investment	<p>In August 2024 the Local Authority Pension Fund Forum (LAPFF) published its recommendations for UK climate policy focussing on four key themes of Carbon Capture and Storage, Hydrogen, Impacting emissions in the short term and transition, together with sector reviews in 6 areas (Electricity, Housing and Heating, Road and Rail Transport, Industry, Agriculture and Finance and Corporate Governance).</p> <p>In May 2024 given the dissolution of parliament prior to the General Election, The Economic Activity of Public Bodies (Overseas Matters) Bill was unable to proceed through all stages and be given Royal Assent. It remains uncertain whether the Bill will be brough back to Parliament in the future as reference was not included in the Kings Speech in July 2024.</p>	https://lapfforum.org/wp-content/uploads/2024/08/LAPFF-UK-CLIMATE-POLICY.pdf	<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>