

	Pension Board 9 November 2022
	Report from the Corporate Director Finance and Resources
LGPS Update	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Three Appendix 1 - LGPC Bulletin – July 2022 Appendix 2 - LGPC Bulletin – August 2022 Appendix 3 - LGPC Bulletin – September 2022
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Corporate Director Finance and Resources 020 8937 4043 Minesh.Patel@brent.gov.uk Ravinder Jassar, Deputy Director of Finance 020 8937 1487 Ravinder.Jassr@brent.gov.uk Sawan Shah, Head of Pensions 020 8937 1955 Sawan.Shah@brent.gov.uk

1.0 Purpose of the Report

1.1 The purpose of this report is to update the committee on recent developments within the Local Government Pension Scheme (LGPS) regulatory environment and any recent consultations issued which would have a significant impact on the Fund.

2.0 Recommendation(s)

2.1 The Committee is asked to note the recent developments in the LGPS.

3.0 Detail

FAQs on the cost of living crisis added to member website

3.1 The LGA have added frequently asked questions (FAQs) on the cost of living crisis to the member website. These can be accessed at <https://www.lgpsmember.org/help-and-support/frequently-asked-questions/?faq-type=cost-of-living-crisis-faqs>

3.2 The FAQs cover where to find help with living costs, reducing or stopping pension contributions, pension scams and help for pensioners on lower incomes.

McCloud factsheet

3.3 In 2018, the Court of Appeal ruled that transitional protections that protected older judges and firefighters from the public sector pension scheme changes in 2015, were unlawfully age discriminatory. Following the ruling the Government accepted that steps should be taken to remedy the age discrimination for all public sector schemes.

3.4 In July 2022, The Pensions Ombudsman (TPO) published a factsheet on McCloud. It sets out TPO's views on what affected members and schemes can do now and their present approach to dealing with McCloud complaints.

3.5 The TPO recognises that that the Government is taking steps to address the discrimination with retrospective effect. Bearing this in mind, TPO's general starting position is that it would not investigate McCloud complaints. However, they carefully look at the facts of each case before deciding whether to investigate. The factsheet sets out examples where TPO may decide to investigate a McCloud complaint now.

HMT consultation on public sector exit payments

3.6 On 8 August 2022, HM Treasury (HMT) launched a consultation on public sector exit payments. The consultation proposes to introduce an expanded approvals process for employee exits and special severance payments, and additional reporting requirements.

3.7 The guidance is intended to apply to all bodies that are classified as 'Central Government'. This does not include local authorities but does apply to academies.

3.8 The new approvals requirement would apply to decisions made by employers to agree to an exit where the total payment to be made would be more than £95,000. This includes relevant statutory, contractual or discretionary payments. This would include any strain cost where an LGPS member aged over 55 leaves due to redundancy or efficiency. A further approval will be needed if special severance payments – payments in excess of contractual obligations – are to be offered.

3.9 The consultation closed on 17 October 2022.

TPR warns employers about auto-enrolment duties

3.10 The Pensions Regulator (TPR) published a press release warning employers to ensure they are complying with their automatic enrolment duties following in-depth compliance inspections earlier in the year. TPR found several common errors in respect of calculating pension contributions and communications to staff.

3.11 They also highlighted that when completing re-enrolment, which employers must carry out every three years, they should check their systems and processes are up to date and running smoothly.

4.0 Financial Implications

4.1 This report is for noting, so there are no direct financial implications.

5.0 Legal Implications

5.1 Not applicable.

6.0 Equality Implications

6.1 Not applicable.

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable.

8.0 Human Resources

8.1 Not applicable.

Report sign off:

Minesh Patel

Corporate Director Finance and
Resources