



Pension Board
7 November 2024

**Report from the Corporate Director,
Finance and Resources**

LGPS Update Report

Wards Affected:	All wards
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
List of Appendices:	Four: Appendix 1 - LGPC Bulletin – August 2024 Appendix 2 - LGPC Bulletin – September 2024 Appendix 3 – LGPC Response to Call for Evidence Appendix 4 – SAB Response to Call for Evidence
Background Papers:	None
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1.0 Executive Summary

- 1.1 The purpose of this report is to update the Board 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

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Background

Pensions review – call for evidence

3.2.1 On 4 September 2024, the Government published a call for evidence for the first phase of its Pensions Review.

3.2.2 The review aims to boost investment, increase individual pensions and eradicate waste. It focuses on defined contribution workplace schemes and the LGPS.

3.2.3 The first phase of the review is exploring measures to accelerate asset pooling and increasing LGPS funds investment in 'productive finance'.

It focuses on;

- scale and consolidation
- costs versus value
- investing in the UK.

3.2.4 The LGPC submitted its response on behalf of the LGA (Appendix 3). The scheme advisory board (SAB) also prepared a response which is attached in Appendix 4.

3.2.5 The second stage of the Pensions Review is expected to look at the issue of pension adequacy, fairness and the consequences of the gender pensions gap.

3.2.6 On 2 September 2024, MHCLG published their guidance notes for the LGPS fund account return (SF3). They would like the data for 2023/24 by 13 September 2024.

3.2.7 The information is used to provide a benchmark on administration and fund management, compiling the national accounts and illustrate the role of the LGPS in the economy.

Review of the 2022 Fund Valuations – GAD Section 13 Report Published

- 3.2.8 The Government Actuary's Department (GAD) has published its report to the Ministry of Housing, Communities and Local Government (MHCLG) on the 2022 fund valuations. The examined whether the fund valuations have achieved the following aims: compliance, consistency, solvency and long-term cost efficiency.
- 3.2.9 GAD's analysis found the LGPS is in a strong financial position with many funds in surplus. GAD provided 3 recommendations for the Scheme Advisory Board to consider including whether greater consistency should be achieved to allow easier comparison between funds and to refine the climate change principles in advance of the 2023 valuations.

General updates

- 3.2.10 It has been proposed that fair Deal might be extended to Local Government (again) and there may be some form of pension provision for councillors.
- 3.2.11 MHCLG has signalled its intention to address discrimination by removing the age 75 limit on death grants and giving widower's pensions parity with widow's/same sex partners following the Goodwin ruling in the Teachers' Pensions Scheme.
- 3.2.12 MHCLG is considering enhancing the separation between the Pension Fund and Council's Accounts, as is already the case in Scotland and Wales.
- 3.2.13 The National LGPS Framework for Additional Voluntary Contribution (AVC) Services is split into two Lots; AVC services and AVC Consultancy services, which are designed to help administering Authorities to access AVC services and assist with issues relating to AVC provision, respectively.
- 3.2.14 The Government passed The Local Government Pension Scheme (Information) Regulations 2024 in August, which retrospectively removed the requirement to include McCloud underpins in annual benefit statements (ABS) with effect from 1st October 2023.

Errors in Teachers' Pensions transfer calculations

- 3.2.15 The Teachers' Pension Scheme (TPS) has alerted practitioners to errors in Club transfer out quotations that they have provided for members affected by the McCloud remedy. They do not appear to be isolated instances and the LGA suggests putting these cases on hold until we have more information.

Money and Pensions service

- 3.2.16 On 9 September 2024 the Money and Pension Service (MAPS) launched digital Pension Wise appointments. They will offer equivalent guidance to telephone and face-to-face appointments. They are aimed at people aged 50 plus with a defined contribution pension.

Tell us Once

- 3.2.17 Tell Us Once is an official verification of death Tell Us Once (TUO) enables people to notify partner organisations of a verified registered death. The instant notification avoids the need for people to contact central Government, local government (including LGPS administering authorities) and other public sector partners individually. TUO is an official notification and there is no need to request a death certificate.

Pensions Dashboard

- 3.2.18 On 5 September 2024, The Pensions Regulator (TPR) published: Pensions dashboards compliance and enforcement policy, in response to a consultation, and updated breach of law guidance.
- 3.2.19 The policy focuses on ensuring that occupational pension schemes comply with their dashboard legal duties. It sets out the principles that will drive TPR's approach, key risk areas, what it expects schemes to do to comply, how it will monitor compliance and manage non-compliance.
- 3.2.20 It is important to note that the updated breach of law guidance contains an example of how TPR will approach non-alignment of illustration dates between main scheme benefits and additional voluntary contributions (AVCs).
- 3.2.21 We understand that big public sector schemes have asked to defer connection to the Pensions Dashboard.
- 3.2.22 TPR expects schemes to connect to the dashboards ecosystem in line with the timeline set out in DWP's guidance on connection; "the stage timetable".
- 3.2.23 The timeline has been designed to reduce delivery risk to industry, but it will also ensure that the system can be thoroughly tested to ensure the successful launch of dashboards.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 This is not applicable to this report.

5.0 Financial Considerations

- 5.1 There are no specific financial implications associated with this report.

6.0 Legal Considerations

- 6.1 There are no specific legal considerations arising from this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

- 7.1 There are none directly arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 There are none directly arising from this report.

9.0 Human Resources/Property Considerations

9.1 There are none directly arising from this report.

10.0 Communication Considerations

10.1 None that are applicable to this report.

Report sign off:

Minesh Patel

Corporate Director, Finance and Resources