



# Report to Pension Fund Board

**Date:** 13 December 2023

**Reference number:** N/A

**Title:** McCloud update

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**Recommendation:** The Board is asked to **NOTE** the current position regarding the McCloud remedy.

## Executive summary

1.1 When the Local Government Pension Scheme (LGPS) changed from final salary to career average earnings accrual on 1 April 2014, an underpin to protect older scheme members was introduced. In some form, protections applied across all public sector pension schemes. Appeals were submitted in the judges and firefighter's schemes regarding their protections and on 20 December 2018, the Court of Appeal ruled that the protections were unlawful on the grounds of age discrimination. Although the ruling only applied to these two schemes, the government confirmed it would be applied to all public sector pension schemes.

The Department for Levelling Up, Housing and Communities (DLUHC) responded to the 2020 consultation regarding the McCloud remedy on 8 September 2023 and laid The Local Government Pension Scheme (Amendment) (No.3) Regulations 2023, which came into effect on 1 October 2023.

1.2 There are 380 employers/payroll providers who are required to provide hours and service break data for the underpin period. All requests for historical data have been issued. To date, 300 employers have returned their data template (78.95%). Some employers/payroll providers may not be able to provide the data. The Local Government Association (LGA) have issued guidance for steps to be taken where data is not provided and this will be followed when all avenues to obtain the data have been exhausted.

1.3 Data has been uploaded for 292 employers/payroll providers. Phase 1 of data verification is validating the data provided and this has been actioned for 162

employers/payroll providers. Of these, 8 have been returned for further clarification. 44 have been amended by the Employer Liaison Team and await running through the validity checker to ensure all errors have been resolved. Phase 2 of data verification is data comparison. The McCloud team has now been established and 34 employers/payroll providers are in progress with 8 employers completed.

### **Next steps and review**

1.4 The project management software used by Buckinghamshire Council, Service Now PPM, was reviewed. It was decided not to proceed with this at present due to the time involved in setting up the system. This will be reviewed periodically as the project progresses.

1.5 The next update will be provided at the July 2024 Board meeting.

