

# **LONDON BOROUGH OF HACKNEY**

## **PENSION FUND**

### **BUSINESS PLAN**

#### **2022/23 TO 2024/25**



Proposed approval date –  
March 2022  
Version 1

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## 1. Introduction

The London Borough of Hackney is the Administering Authority for the Hackney Pension Fund which is part of the Local Government Pension Scheme (LGPS).

The purpose of this document is to set out a business plan for the Hackney Pension Fund for the period 2022/23 to 2024/25 and to outline the Fund's goals and objectives over the longer term. The business plan is formally reviewed and agreed every year. However, throughout the year it is monitored and there may be changes to it.

The purpose of the business plan is to:

- explain the objectives for the management of the Hackney Pension Fund
- document the priorities and improvements to be implemented by the pension service during the next three years to help achieve those objectives
- enable progress and performance to be monitored in relation to those priorities
- provide staff, partners and customers with a clear vision for the next three years.

A budget will be set for expected payments to and from the Hackney Pension Fund during 2022/23 including the resources required to manage the Fund and deliver this business plan. The budget will be separately approved by the Committee.

The business plan also has an impact on the Fund's Communication Plan and the Committee's agenda items. Accordingly, these are also included within this document.

## Further Information

If you require further information about anything in or related to this business plan, please contact:

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## 2. Background to the Hackney Pension Fund

The Hackney Pension Fund is a £1.9bn<sup>1</sup> Local Government Pension Fund which provides death and retirement benefits for local government employees (other than teachers, police and firefighters) in the London Borough of Hackney and employees of other participating employers which provide similar services in the Hackney area.

Total Fund membership is 24,937 with 7,083 active contributors from 41 contributing employers and 10,352 deferred members and 7,402 pensioners and dependents.

### Governance and Management of the Fund

The London Borough of Hackney, as the Administering Authority of the Pension Fund, has delegated responsibility for the management of the Hackney Pension Fund to the Pensions Committee.

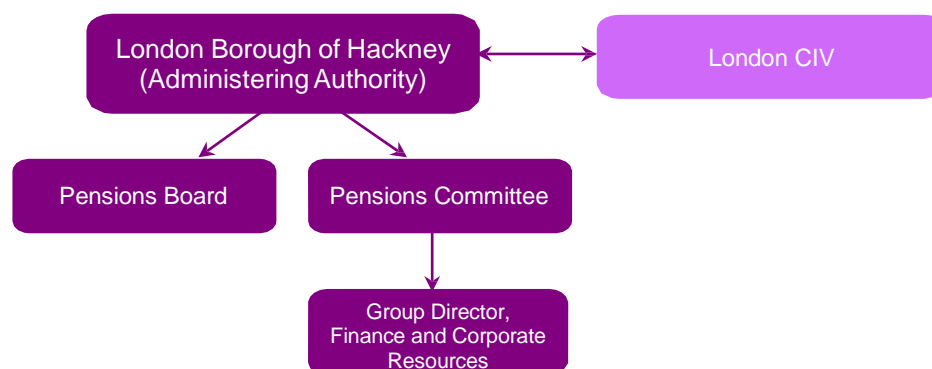
The day to day running of the Fund has been delegated to the Group Director, Finance and Corporate Resources; the Director, Financial Management; and the Financial Services section of the Council. The Financial Services section has responsibility for all aspects of the day to day running of the Fund including administration, investments and accounting. Some of this is carried out by external suppliers or providers including:

- Equiniti – many aspects of the administration and communications of the Hackney Pension Fund are carried out on the Fund's behalf by Equiniti
- London Collective Investment Vehicle (London CIV) - the Fund is a participating scheme in the London CIV which means the London CIV manages some of the Fund's assets on its behalf. The London Borough of Hackney is also a shareholder of the London CIV.

A range of consultants also provide guidance in relation to the management of the Fund.

In line with the Local Government Pension Regulations 2013, the Pensions Board assists the Authority in ensuring compliance with the regulations and helps oversee the work of the Pensions Committee and how the Fund is administered.

The Fund's governance structure is depicted in the chart below.



<sup>1</sup> Information correct as at 31 March 2021

### 3. Objectives

The primary objectives of the Fund are shown below. They have been agreed by the Pensions Committee as part of the Fund's key strategies and policies, and as such are a key driver in determining what is in the Fund's business plan. The objectives are sub-divided into specific areas of governance, funding, investments, administration and communications.

#### Governance Objectives

We will:

- aim to act in the best interests of the Fund's members and employers
- have robust governance arrangements in place, to facilitate informed decision making in a transparent manner, supported by appropriate advice, policies and strategies
- ensure that the London Borough of Hackney Pension Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and skills
- act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- understand and monitor risk
- strive to ensure compliance with the appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance
- clearly articulate our objectives and how we intend to achieve those objectives through business planning, and we will continually measure and monitor success
- ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services are protected and preserved.

#### Funding Objectives

- To ensure the long-term solvency of the Fund, using a prudent long-term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment.
- To ensure that employer contribution rates are reasonably stable where appropriate.
- To minimize the long-term cash contributions which employers need to pay to the Fund, by recognizing the link between assets and liabilities and adopting an investment strategy which balances risk and return (NB this will also minimise the costs to be borne by Council Tax payers).
- To reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years.
- To use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

## Investment Objectives

- Optimise the return on investment consistent with a prudent level of risk.
- Ensure that there are sufficient assets to meet the liabilities as they fall due (i.e., focus on cash flow requirements).
- Ensure the suitability of assets in relation to the needs of the Fund (i.e., delivering the required return).
- Ensuring that the Fund is properly managed (and where appropriate being prepared to change).
- Set an appropriate investment strategy for the Fund to allow the Administering Authority to seek to maximise returns and minimise the cost of benefits for an acceptable level of risk. Ensure return seeking assets are in line with funding objectives.
- Invest where appropriate through the London CIV if
  - the London CIV enables access to an appropriate solution that meets the objectives and benchmark set by the Fund and
  - there is a clear financial benefit to the Fund in investing in the solution offered by the London CIV, should a change in provider be necessary.
- Ensure that the Fund continues to invest responsibly taking account of environmental, social and governance issues, whilst adhering to its overarching fiduciary duties. Specifically, to ensure that the following investment beliefs agreed by the Committee in 2020 are incorporated into any decisions going forward:
  - Environmental, social and corporate governance issues can have a material impact on the long-term performance of investments;
  - The UN Sustainable Development Goals highlight investment risks and potential opportunities as well as areas in which asset owners can have a positive impact;
  - Engagement with managers, and through them with investee companies, can have a material impact on progress towards the chosen goals as well as on investment performance; and
  - Responsible investment is relevant to the performance of the entire Fund across asset classes

## Administration Objectives

- Deliver an efficient, quality and value for money service to its scheme employers and scheme members.
- Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner.
- Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function.
- Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner.
- Set out clear roles and responsibilities for the Council and Equiniti and work together to provide a seamless service to scheme employers and scheme members.
- Continuously review and improve the service provided.

## Communications Objectives

- Promote the scheme as a valuable benefit and provide sufficient and up to date information so members can make informed decisions about their benefits.
- Communicate in a plain language style.
- Ensure the Fund uses the most appropriate means of communication, taking into account the different needs of different stakeholders.
- Look for efficiencies in delivering communications including greater use of technology.
- Evaluate the effectiveness of communications and shape future communications appropriately.

## 4. The plan for the next three years

### Key Challenges and Influences

The last decade saw an unprecedented number of external factors that impacted or could impact the management of the Fund on top of major changes that have been implemented to the Fund in recent years, such as:

- The implementation of the new Local Government Pension Scheme from April 2014.
- Establishing the London CIV and investing assets in it from 2018.
- Procuring the Fund's third-party administration adviser and ensuring an increase in the range and quality of services is provided as part of the new contract.
- Introduction of a carbon reduction target for investments and development of the Fund's responsible investment approach.

These and other areas of recent focus put us in a strong position to meet the challenges ahead. The following are just some of the key areas of focus for the Fund over the next three years:

- Implementing the remedy for the McCloud court case, and any further "cost cap" changes to member benefits and contributions
- Implementing a member on-line self-service facility
- Implementing an employer on-line system, allowing more timely submission of data and in a more automated manner
- Understanding and complying with The Pension Regulator's new Single Code
- Implementing any governance changes as a result of the Scheme Advisory Board Good Governance review
- Understanding any risks and developing controls relating to cybercrime and business continuity
- Carrying out the 31 March 2022 actuarial valuation and reviewing the Funding Strategy as part of this
- Developing and implementing the Fund's climate change targets
- Becoming a signatory of the Stewardship Code and complying with any new requirements on TCFD
- Agreeing the Fund's 2022 investment strategy including ongoing transition of assets to London CIV.

These, and other priorities for the next three years, are articulated in more detail in the later sections of this business plan, split into three sections: governance; funding and investments; administration and communications.



## Delivering the Business Plan

### Monitoring and Reporting

In order to identify whether we are meeting our business plan we will:

- continue to monitor progress of the key priorities and the agreed budgets on an ongoing basis
- provide updates on progress against these key priorities on a quarterly basis to the Pensions Committee, which will be shared with the Pension Board
- as part of these quarterly updates:
  - highlight any areas where we are exceeding or failing to achieve our targets and the reasons why, and identify any changes to the planned priorities as a result of this
  - highlight any significant additional spend or underspend in relation to the agreed budget as it becomes apparent.

### Significant risks that may impact delivery of the Business Plan

Overall, the next few years will be challenging for those involved in the governance, management and operation of the Fund. The following are the key known risks which may impact on the delivery of this business plan. A number of these risks are still of greater concern than normal due to the impact of Covid-19 as it is currently somewhat unknown the impact Covid-19 may have in 2022/23 and perhaps longer term.

- Failure of third-party administrator to deliver in accordance with contractual requirements, impacting on the service to the Administering Authority, scheme members and employers. This is exacerbated by the likely increase in work due to the McCloud remedy.
- Insufficient resource and/or lack of skills within the Administering Authority Pensions Team. Again, this could be exacerbated by the likely increase in work due to the McCloud remedy.
- Inability by Hackney Council to access their earlier years' payroll data, impacting on McCloud and other projects.
- Lack of employer engagement which could impact on plans to improve data and the implementation of the Employer Self Service on-line functionality.
- Employers unable to afford employer contributions including due to reduction in strength of employer covenant.
- Failure to meet investment objectives due to market volatility.
- Failure to achieve desired returns in relation to investments made under the umbrella of the Fund's Responsible Investment Policy.
- Inability to pay pension benefits due to market volatility and insufficient illiquid assets.
- Failure by London CIV to deliver services required to achieve asset pooling objectives.
- Breach or loss of data or assets due to a cyber-attack, or business continuity incident affecting systems or ability to work effectively.

## Training Plan

The Fund has a Knowledge and Skills Policy setting out the training requirements for and knowledge expected of senior officers, Pensions Committee and Pension Board members. Key areas of training identified for the Committee and Board members for the period covered by this business plan include:

- The Pension Regulator's new Single Modular Code
- The Scheme Advisory Board's work on Good Governance
- Responsible Investing:
  - Climate change
  - Stewardship Code
  - TCFD requirements
- Investing in bonds
- Currency hedging mandates
- Investment Strategy Review
- Actuarial valuation basics, overview of valuation approach, funding strategy review, key themes/hot topics
- Actuarial valuation output – what's produced and how it is used
- The National Pensions Dashboard
- GMP Equalisation
- Pension Scams

In addition, a programme of induction training will be delivered to all new Committee and Board members in line with the Fund's Policy.

## 5. Business plan key priorities

The following are the expected key priorities for the Hackney Pension Fund for the period 2022/23 to 2024/25 so that the objectives of the Fund are achieved. This excludes ongoing business as usual items that take place annually or more frequently. Further explanations of these key priorities are included in the appendix to this business plan.

Many of the timescales are estimated due to reliance on external bodies, such as Government. As a result, these timescales may change. These are shown with an asterisk (\*).

Key Action/Task	2022/23 Period				2023/ 24	2024/ 25	Expected Committee Agenda
	Q1	Q2	Q3	Q4			
Governance							
G1. Review appointments of Pensions Committee co-opted members and Local Pension Board members	✓		✓	✓	✓	✓	June 2023 initially
G2. Induction training and training needs analysis for Pensions Committee, board and senior officers (based on CIPFA competencies)			✓			✓	Dec 2022 and Dec 2024
G3. Review of cybercrime risk to Fund	✓	✓	✓				June 2022 and ongoing
G4. Review of Breaches procedure	✓						June 2022
G5 Governance review and implementation of actions	✓						June 2022
G6. Review against new TPR single code	✓*	✓*	✓*	✓*			Sept/Dec 2022
G7. Review of Conflicts of interest policy			✓				December 2022
G8. Inclusion and Diversity			✓	✓	✓		December 2022/March 2023
G9. Review of Governance Policy and Compliance Statement						✓	December 2024
G10. Review of Knowledge and Skills Policy						✓	December 2024
G11. Review of Risk Management policy						✓	March 2025
G12. Implement changes from Scheme Advisory Board good governance review	✓*	✓*	✓*	✓*	✓*		To be confirmed
Investments and Funding							
F1. Investment Strategy implementation			✓	✓			September and December 2022
F2. 2022 Investment Strategy review and	✓	✓	✓	✓	✓		June,

Key Action/Task	2022/23 Period				2023/ 24	2024/ 25	Expected Committee Agenda
	Q1	Q2	Q3	Q4			
implementation							September and December 2022
F3. Responsible Investing – Agreeing Climate Change targets and implementation plan	✓	✓					June and September 2022
F4. Responsible Investing – Stewardship Code		✓					September 2022
F5. Responsible Investing – Develop Voting Policy		✓	✓	✓			September 2022
F6. Review requirements for cost transparency collation/reporting	✓	✓	✓	✓			No decisions required
F7. 2022 actuarial valuation and review of funding strategy	✓	✓	✓	✓			June, September, December 2022 & March 2023
F8. GAD Section 13 valuation results/engagement						✓	To be confirmed
F9. Other expected national changes including responsible investment, asset pooling guidance and TFCF		✓*	✓*	✓*	✓*	✓*	To be confirmed
<b>Administration and Communications</b>							
A1. Relaunch Member Self-service online functionality	✓	✓	✓	✓			No decisions required
A2. Work with Hackney Council/Hackney Education to develop pensions interface/extract (for employer self-service)	✓	✓					No decisions required
A3. Implement employer self-service on-line functionality to all employers including updating employer guide	✓	✓					No decisions required
A4. Review of Third-Party Administrator processes and responsibilities	✓	✓					September 2022
A5. Review of Third-party administrator service delivery to ensure quality improvement is in place	✓	✓					No decisions required
A6. Preparation of Member Data for Valuation	✓	✓					No decision required
A7. Implement McCloud/Sargeant remedy (extension of underpin test)	✓*	✓*	✓*	✓*	✓*		To be confirmed
A8. Carry out member address tracing and verification exercise	✓	✓					No decisions required
A9. Review of employers' processes and responsibilities					✓	✓	To be confirmed

Key Action/Task	2022/23 Period				2023/ 24	2024/ 25	Expected Committee Agenda
	Q1	Q2	Q3	Q4			
A10. Update data improvement plan/procedures following improvements in employer engagement			✓				December 2022
A11. Implement trivial commutation/small pots payments					✓		To be confirmed
A12. Carry out frozen refund clearing exercise					✓		December 2023
A13. Implement changes required for national pensions dashboard(s)	✓*	✓*	✓*	✓*	✓*	✓*	To be confirmed
A14. Introduce high earners communication strategy		✓					September 2022
A15. Review under/overpayment policy					✓		December 2023
A16. Review Communications Strategy						✓	June 2024
A17. Review Admin Authority Discretion Policy and Employing Authority Discretions Policy						✓	June 2024
A18. Review Voluntary Scheme Pays policy						✓	June 2024
A19. Review Administration Strategy						✓	March 2025
A20. Implement employer engagement strategy	✓	✓					No decisions required
A21. Other expected legislation changes including exit cap (£95k) and fair deal	✓*	✓*	✓*	✓*	✓*	✓*	To be confirmed
<b>Supplier and contractor reviews and tenders</b>							
Custodian tender	✓						June 2022
Actuarial consultant tenders					✓		June 2023
Benefits and governance consultant tenders					✓		June 2023
Investment consultant tender		✓	✓				September 2022
AVC fund review		✓					June 2022
Third party administrator review and/or tender	✓						June 2022
Legal services		✓	✓				September 2022
Banking services tender (as part of Council's procurement)							To be confirmed

## 6. Draft Communications Plan 2022/23

The aim of the Fund's communications strategy is to make sure that all stakeholders are engaged with and kept informed of developments within the Pension Fund. We want to ensure transparency and an effective communication process will help to maintain the efficient running of the scheme. An outline communications plan for 2022/23 is set out below

Type of Communication	Scheme Member	Prospective Scheme Members	Employers	Press & FOI Requests	Central Government & the Pensions Regulator
Annual Benefit Statements	July-August				
Newsletters	Annually and as required				
Individual Member Self-Service (on-line portal)	Implementation				
Notice of Pensions Increase (PI)	March (pensioners only)				
Website	As required	As required	As required		
Posters	As required		As required		
Scheme Guides	As required	Upon entry to the scheme	Upon entry to the scheme and as required		
Scheme legislation updates/changes	As required		As required		
Induction Sessions	Weekly	Weekly	As required		
Pre-Retirement Seminars	Quarterly		Quarterly		
Employer Forum			February-March		
Employer training workshops			As required		
Pensions Administration Strategy			–Triennial - December 2024 is next review date		
Communications Strategy	Triennial – March 2024 is next review date		Triennial – March 2024 is next review date		
Report & Accounts	Annual Newsletter		November		October
Funding Strategy Statement			September to March (triennial)		
Investment Strategy Statement			June to September (usually triennial)		
Ad-Hoc Queries	Within set timescales	Within set timescales	Within set timescales	Within set timescales	Within set timescales

Type of Communication	Scheme Member	Prospective Scheme Members	Employers	Press & FOI Requests	Central Government & the Pensions Regulator
Pension Committee	April - March	April - March	April - March	April - March	
Pension Board	April - March	April - March	April- March		As Required
McCloud communications	To be confirmed		As required		
Cost management changes	As required		As required		

## 7. Appendix A – Explanation of business plan key tasks and actions

### Further information relating to key priorities

It is expected that work scheduled for 2022/23 will be carried out within the existing resource/budget unless indicated otherwise. Work scheduled for 2023/24 and 2024/25 will be included in the relevant budgets for those years. Many of the timescales are estimated due to reliance on external bodies, such as Government. As a result, these agenda items may be move to a later committee date. These are shown with an asterisk (\*).

### Governance key priorities

#### G1. Review appointment of Pensions Committee co-opted members and Local Pension Board members

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓		✓	✓	✓	June 2023 initially

The employer and scheme member representatives on the Pensions Committee and Local Pension Board are regularly reviewed. There are some vacancies and some appointments that are subject to review as follows:

- Board – appointment of vacant employer representative role and review of both scheme member representatives (4-year term) in Q1 of 2022/23
- Board – consider review of other employer representative (3-year anniversary March 2023) in Q3/4 2022/23
- Committee – consider review of scheme member and employer representatives (4-year anniversary September 2023) – Q1/2 of 2023/24

#### G2. Induction training and training needs analysis for Pensions Committee, Board and key officers

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
		✓		✓	December 2022 and December 2024

As per the Knowledge and Skills policy a training needs analysis for the main roles of Pensions Committee members, Pension Board members and Senior Officers should be carried out at least once every two years. This is based on the competencies within the CIPFA Knowledge and Skills framework for LGPS Committee Members and Technical Knowledge and Skills framework for Pension Boards. Given the recent changes to the Committee members, and potential further changes following the May London elections, it is sensible to first focus on delivering induction training to all new members, before carrying out the training needs analysis. It is hoped to issue the analysis during the summertime with the results being presented to the September 2022 Pensions Committee meeting.



### G3. Review of cybercrime risk to Fund

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓	✓	✓			June 2022 and ongoing

Cyber risk is considered a key risk to the Fund, as it is to most organisations today. In line with The Pensions Regulator's requirements, work will be carried out to better understand how that risk is being managed in relation to the Fund's member data, assets and other procedures. The Fund officers have already been carrying out some investigations into the cyber resilience of Equiniti and Hackney Council. A report outlining the results of this work, presenting a proposed cyber-strategy for the Fund and including a proposed programme of further work was presented to the March 2022 Pensions Committee meeting which will then be carried out during 2022/23.

### G4. Review of Breaches Procedure

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓					June 2022

As part of good governance and to meet overriding requirements relating to the management of breaches of the law, the Fund has a Breaches Procedure which details how breaches of the law are managed, taking into account the Pensions Regulators guidance. We understand that the procedure is now subject to review and so will be considered at the June 2022 Pensions Committee meeting.

### G5. Governance review and implementation of actions

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓					June 2022

The Fund has not had a review of its governance arrangements for some time and therefore Aon will be carrying this out during quarter four of 2021/22, which is likely to continue to quarter 1 of 2022/23. The rest of this will be reported to the June 2022 Pensions Committee and any ongoing plan of work will be developed at that point. As part of this work, they are also considering the format of reports being presented to the Committee as well as whether the Fund's business continuity arrangements are still relevant.

### G6. Review against new TPR Single Code

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓*	✓*	✓*	✓*		Assuming June or September and December 2022

The Pensions Regulator (TPR) consulted on a new Single Code of Practice during Spring 2021. This new Code will merge the existing 15 codes the Regulator has in place. The first iteration of the new Code will include Code of Practice No.14 (the relevant Code for Public Service Pension Schemes) as part of the merger of 10 of the 15 codes that are currently in place. This could result in changes to the requirements placed on Public Service Pension Schemes, including the LGPS. Work will be undertaken to review whether the Fund complies with the requirements within the new Code. After the initial review, ongoing compliance checks will be carried out on a regular basis. The new single code is not expected to be laid before parliament in June/July 2022 and is likely to come into force in October 2022.

## G7. Review of Conflicts of Interest policy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
		✓			December 2022

As part of good governance and the Pension Regulator's expectations, the Fund has a published Conflicts of Interest policy. This details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Fund whether directly or in an advisory capacity. The strategy must be reviewed at least every three years and it was last reviewed in December 2019.

## G8. Inclusion and diversity

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
		✓	✓	✓	December 2022 or March 2023 initially

Inclusion and diversity is being considered by most employers but it equally should have a bearing on the management of pension schemes. The Pensions Regulator has highlighted their intention to figure more on inclusion and diversity in their regulatory materials going forward. It is planned to consider inclusion and diversity in the context of the management of the Hackney Pension Fund during the year, which may involve consideration of this in relation to decision making, recruitment to positions, and in its communications. This is likely to continue into 2023/24.

## G9. Review of Governance Policy and Compliance Statement

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	December 2024

The Fund is required to have a Governance Policy and Compliance Statement setting out information relating to how the Administering Authority delegates its functions under the regulations and whether it complies with guidance given by the Secretary of State for Levelling Up, Housing and Communities. The strategy must be reviewed at least every three years and it was last reviewed in December 2021.

## G10. Review of Knowledge and Skills Policy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	December 2024
As party of good governance and the Pension Regulator's expectations, the Fund has a published Knowledge and Skills Policy which outlines the knowledge and skills strategy for members of the Pensions Committee and Pensions Board, and senior officers responsible for the management of the Fund. The strategy must be reviewed at least every three years and it was last reviewed in December 2021.					

## G11. Review of Risk Management Policy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	March 2025
As part of good governance, the Fund has a published Risk Management Policy. This was recommended for approval by the Pensions Committee in March 2022. The strategy must be reviewed at least every three years.					

## G12. Implement changes from Scheme Advisory Board Good Governance review

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓*	✓*	✓*	✓*	✓*	To be confirmed
<p>The national LGPS Scheme Advisory Board (SAB) carried out a project to help and assist with the successful management of potential conflict of interests arising between a pension fund and its parent local authority. It was originally investigating options for change regarding the separation of LGPS pension funds and their host authorities.</p> <p>The review has now evolved to focus on the elements of good governance, rather than the structure of the organisation. A number of recommendations have been made including ensuring appropriate conflicts of interest management, knowledge and skills and having a designated LGPS lead officer in each administering authority. The SAB has now made a number of formal recommendations to DLUHC, including the request for DLUHC to issue statutory guidance relating to the areas of best practice identified by the project. SAB will also be undertaking a number of surveys to take forward some of the work and is expected to issue guidance in due course. The actual timescales are estimated and may be delayed due to other national priorities.</p>					

## Funding and Investments key priorities

### F1. Investment Strategy implementation

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
		✓	✓		September and December 2022

The first phase of the implementation of the existing Investment Strategy is largely complete. Phase two is mainly focussed on the transition of the Fund's bond portfolio which is expected to happen during the period spanning October 2022 to March 2023. This requires ongoing engagement with the London CIV to ensure the appropriate portfolio(s) are made available for the Fund.

### F2. 2022 Investment Strategy review and implementation

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓	✓	✓	✓	✓	June, September and December 2022

This relates to the triennial review of the Fund's Investment Strategy which will be carried out in tandem with the 31 March 2022 Actuarial Valuation to ensure alignment with the review of the Funding Strategy. The initial work on the new strategy is expected to be presented at the June 2022 Pensions Committee with the final strategy expected to be put to the December 2022 Committee for approval. The implementation plan will then need to be developed following its agreement, but this is expected to continue into 2023/24.

### F3. Responsible Investing – Agreeing Climate Change targets and implementation plan

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓	✓				June and September 2022

The Fund intends to adopt a range of specific targets and timescales to ensure that they meet their overall net-zero objective. These are expected to be considered and approved at the June 2022 Pension Committee meeting, and more detail on how these will be implemented will be considered at the September 2022 meeting.

### F4. Responsible Investing – Stewardship Code

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
	✓				September 2022

The Financial Reporting Council (FRC) first published the UK Stewardship Code in 2010 and revised it in 2012. In October 2019 the FRC issued an updated and increasingly demanding version, the UK Stewardship Code 2020. The Code sets out a number of areas of good practice to which the FRC believes institutional investors should aspire. ISS guidance given by the Secretary of State states that LGPS administering authorities should become signatories to the Code, and state how they implement the principles on a “comply or explain” basis.

The Fund is committed to becoming a signatory to the Stewardship Code, albeit there will be a high reliance on the London CIV on achieving this. It is proposed to establish a working group which will play a key role in feeding into how the Fund achieves the standards required, including implementing regular manager monitoring. The Fund expect to submit their Stewardship Code application in October, and it will therefore be subject to the Committee’s approval in September.

## F5. Responsible Investing - Develop Voting Policy

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
	✓	✓	✓			September 2022

The London CIV is developing its voting and stewardship approach including how it intends to exercise its voting rights at annual general meetings, general meetings, courts and classes of companies it invests in. This will be captured within a London CIV Voting Policy and a draft of this is expected to be available in the summer of 2022. The Fund will be working with the London CIV to ensure that the Fund’s beliefs are allowed for in the London CIV’s approach.

## F6. Review requirements for cost transparency collation/reporting

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
✓	✓	✓	✓			No decisions required

A Code of Transparency covering investment management fees and costs was developed and approved by SAB and launched in May 2017. In 2018, the Financial Conduct Authority (FCA) launched the Institutional Disclosure Working Group (IDWG) as part of the remedies package and noted the success of the LGPS Code. The FCA wanted to see more consistent and standardised disclosure of costs and charges for institutional investors. It thought that a standardised disclosure template should provide institutional investors with a clearer understanding of the costs and charges for a given fund or mandate. This should allow investors to compare charges between providers and give them a clear expectation of the disclosure they can expect. These templates have been adopted for the LGPS Code. In order to streamline the process and make it more widely available, SAB procured an online facility from Byhiras which allows:

- accepts and stores template data from fund managers
- Checks the timeliness of data submission and report late returns
- Ensures that template data is signed off by managers as ‘fair, clear and not misleading’
- Provides a check against the MiFID II total cost amount submitted separately by managers to their LGPS clients.

Hackney Fund will be transitioning to the new system during 2022/23.

## F7. 2022 actuarial valuation and review of funding strategy

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
✓	✓	✓	✓			June, September, December 2022 & March 2023

A formal actuarial valuation of the Fund detailing the solvency position and other financial metrics must be carried out as at 31 March 2022. It is a legal requirement of the LGPS Regulations. It determines the contribution rates payable by the employers to fund the cost of benefits and make good any existing shortfalls as set out in the separate Funding Strategy Statement. This is considered in conjunction with the strength of covenant for each employer participating in the Fund. The majority of the work will be carried out during 2022/23 but initial discussions on the proposed funding strategy have already commenced in 2021/22.

The key stages of the valuation process are as follows:

- June 2022 – planned data submission
- September 2022 – whole fund results and draft Funding Strategy Statement brought to Pensions Committee
- December 2022 – employer specific funding strategies brought to Pensions Committee
- March 2023 – final valuation report and approval of the Funding Strategy Statement by Pensions Committee.

See also action A6

## F8. GAD Section 13 valuation results/engagement

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
					✓	To be confirmed

Section 13 of the Public Service Pensions Act requires the Government Actuary to report on compliance, consistency, solvency and long-term cost efficiency in respect of the actuarial valuation of the LGPS as a whole. This is based on the individual actuarial valuations and data provided by each LGPS fund and their actuary. These reviews consider key metrics to identify potential issues in relation to compliance, consistency, solvency and long-term cost efficiency and a short report is provided to each LGPS fund and made publicly available which will highlight any concerns.

The next review will be carried out following the 31 March 2022 actuarial valuation. We estimate that the Section 13 results are likely to be available around two to three years after the valuation date (so for 31 March 2019, the results were published in December 2021).

## F9. Other expected national changes including asset pooling guidance, TCFD and levelling-up infrastructure investment

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
	✓*	✓*	✓*	✓*	✓*	To be confirmed

It is expected that the following three areas will be incorporated in one consultation from DLUHC in the summer of 2022. The actual implementation of the requirements is unclear but is expected to involve work during 2022/23.

**Asset pooling guidance**

MHCLG (now DLUHC) undertook an informal consultation on new asset pooling guidance during early 2019. DLUHC has since confirmed its intention to carry out a formal consultation in due course.

**Task Force for Climate-related Financial Disclosures (TCFD) consultation**

From 1 October 2021 the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 introduced new requirements relating to reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. These aim to improve both the quality of governance and the level of action by trustees in identifying, assessing and managing climate risk. Those regulations do not apply to the LGPS but DLUHC intends to consult on the implementation of TCFD-aligned disclosures within the LGPS.

**Levelling Up whitepaper**

On 2 February 2022 DLUHC published a Levelling Up white paper which includes references to LGPS funds having plans for up to 5% of assets to be allocated to projects which support local areas. We understand that in this context local refers to UK rather than local to a particular fund and that there will be no mandation beyond the requirement to have a plan. Further details will emerge over the period up to the expected summer consultation.

## Administration and Communications key priorities

### A1. Relaunch member self-service online functionality

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
✓	✓	✓	✓			No decisions required
<p>The Fund has been working with Equiniti toward launching a portal which gives scheme members access to their own pension record so they can view the data held, amend some elements of personal data, and produce estimates of the benefits payable in various scenarios. The launch of this has been delayed due to COVID-19 but it is intended to be rolled out during 2022-23. The roll-out of member self-service is also dependent on the roll-out of employer self-service (see A2 and A3).</p>						

### A2. Work with Hackney Council/Hackney Education to develop pensions interface/extract (for employer self-service)

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
✓	✓					No decisions required
<p>The Fund has been working with Equiniti and Hackney Council Payroll/Hackney Education to develop an interface extract file with appropriate information relating to LGPS members on the Council's iTrent payroll system. This extract will be regularly provided via Equiniti's on-line employer self-service facility to ensure the Council Payroll and Hackney Education teams' pension records are up to date and will introduce increased efficiencies as well as less reliance on the Hackney Pensions Team. It is hoped to go live with the interface early in 2022/23, albeit this is hoped to include the year end file for 2021/22. As part of the interface going live an exercise will be undertaken to review employer processes and forms, as per A9.</p>						

### A3. Implement employer self-service on-line functionality to all employers including updating employer guide

2022/23 Period				2023/24	2024/25	Expected Committee Agenda
✓	✓					No decisions required
<p>The Fund has been working with Equiniti with a view to launching new on-line functionality for all employers participating in the Fund. This will require all employers to upload pension information on a monthly basis to Equiniti's on-line employer self-service facility to ensure the Fund's pension records are up to date. As well as improving the integrity of the Fund's data, this will introduce increased efficiencies for all parties. The launch of this has been delayed due to COVID-19 but some testing is underway, and it is hoped that this will go live for all employers during 2022-23 (albeit Hackney Council/Hackney Education payrolls will be given priority as per A2).</p> <p>As part of the employer self-service being rolled out, the existing employer guide will also be updated to reflect the new requirement to provide data via this portal and a review will be undertaken of employer processes and forms, see A9.</p>						



#### A4. Review of third-party administrator processes and responsibilities

2022/23 Period		2023/24	2024/25	Expected Committee Agenda	
✓	✓			September 2022	

The Fund plans to carry out a review of the procedures carried out by Equiniti, the Fund's Third-Party Administrator, to check accuracy of calculations and that procedures meet legal and best practice requirements, as well as being in line with the service specification that was put in place for Equiniti's new contract. This will include a review of the communications provided by Equiniti to the Fund's scheme members and employers. It was planned to carry this out during 2021/22 but has been delayed due to COVID-19 and other business priorities. It will also specifically involve an element looking at robustness of procedures in relation to legislation which came into force in November 2021 regarding pension scams.

#### A5. Review of third-party administrator service delivery to ensure quality improvement is in place

2022/23 Period		2023/24	2024/25	Expected Committee Agenda	
✓	✓			No decisions required	

There is overlap here with A4. Equiniti are currently developing a proposal for the Fund to introduce a number of changes that will help them meet the service standards expected as part of their contract with the Fund. This will mostly be focused on the use of the software to make efficiencies (including a potential move to Equiniti's updated Compendia platform) and reviewing where work is undertaken within their organisation, allowing them to build on current service standards.

#### A6. Preparation of Member Data for Valuation

2022/23 Period		2023/24	2024/25	Expected Committee Agenda	
✓	✓			No decisions required	

The triennial actuarial valuation as at 31 March 2022 requires the third-party administration team to provide data to the actuary. This involves an additional year end cleansing exercise post 31 March 2022 to ensure the data is of sufficient quality for the valuation and to then rectify any anomalies discovered during the valuation process. An interim/test valuation was completed during 2021/22 where some initial data validation has been completed already, which highlighted an area to investigate.

It is hoped that data can be submitted to the Fund actuary by early July with any data cleansing being investigated and responded to by 31 July 2022.

## A7. Implement McCloud/Sargeant remedy (extension of underpin test)

2022/23 Period			2023/24	2024/25	Expected Committee Agenda	
✓*	✓*	✓*	✓*	✓*		To be confirmed
<p>Court of Appeal judgements (McCloud and Sargeant) in 2018 highlighted that the introduction of transitional provisions in the CARE schemes for Firefighters and Judges in April 2015 gave rise to unlawful age discrimination. This impacts on other public service pension schemes including the LGPS (where the new CARE scheme from April 2014 included a statutory underpin for older members). Remedies are being worked through by Government to remove the inequality in the schemes, which will result in changes to scheme benefits some of which will be retrospective. A consultation on the Local Government Pension Scheme remedy took place in July 2020 and since then work has commenced to identify and update the records of the affected members so their benefits can be amended once regulations are laid. This is a major exercise to gather updated employment information from employers dating back to 2012. This work has been allowed for in the 2022/23 budget, but it is possible that additional resource and budget may be required depending on the final outcome of the consultation and the final regulations.</p>						

## A8. Carry out member address tracing and verification exercise

2022/23 Period			2023/24	2024/25	Expected Committee Agenda	
✓	✓					No decisions required
<p>The Fund has a number of members where no current address is held due to them moving address and not updating the Fund; this mainly relates to members who have left active employment and have deferred benefits, or a frozen refund held in the Fund. Not only does this create problems when notifying members of their benefits and making payment of these benefits, but addresses are one of the common data items that The Pensions Regulator expects pension schemes to hold and missing addresses therefore impacts the Fund's reportable "data score".</p> <p>Equiniti has recently commenced carried out an address tracing and verification exercise on the entire deferred member population. This was to help to trace those members which the Fund currently holds no current address for, but also to verify that the addresses that are held are still up to date, which is essential for data protection purposes. Some 2,400 verification letters were sent and over half of cases were identified. Equiniti will continue working through the remaining cases during the beginning of 2022/23 to verify addresses for as many as possible.</p>						

## A9. Review of employers' processes and responsibilities

2022/23 Period			2023/24	2024/25	Expected Committee Agenda	
			✓	✓		To be confirmed
<p>The Fund has previously carried out an independent 'audit' of the participating employers, measuring the quality of data provided as well as the timeliness of data and other matters such as the submission of forms when required. This will be carried out again once the employer self-service portal is up and running (see action A3 above).</p>						

## A10. Update data improvement plan/procedures following improvements in employer engagement

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
		✓			December 2022
<p>The Fund has a data improvement plan in place which identifies key areas where the quality of data has been causing problems or delays in administration. Following the implementation of the employer on-line self-service functionality (see actions A2 and A3 above) much more analytical information will be available relating to the performance of individual employers and areas where data is missing or incorrect. As a result, a fundamental review of the data improvement plan will be carried out.</p>					

### A11. Implement trivial commutation/small pots options

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
			✓		To be confirmed
<p>Trivial commutation is where a member who is entitled to a small pension can elect to give up the entirety of that pension and instead receive their benefit as a single lump sum payment. A project will be carried out to identify any pensioners and dependants who may be eligible for trivial commutation and to offer it to them. This will reduce the administrative burden on the Fund paying a large number of very small pensions over a number of years as well as providing greater clarity from a funding perspective. The government has a limit for members to trivially commute their pension in relation to a single pension (£10,000 value – called a "small pot") and total benefits (£30,000 – called "trivial commutation"). As well as reducing the number of pensioner payments that require ongoing payment this could also reduce the fund's liabilities. It may also be welcomed by a number of pensioners who would prefer a one-off lump sum payment rather than ongoing smaller payments of little value.</p>					

### A12. Carry out frozen refund clearing exercise

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
			✓		December 2023
<p>Members who left the scheme without meeting the 'vesting period' (the minimum period to qualify for benefits – this was two years before 1 April 2004, three months between 1 April 2004 and 31 March 2014, and reverted to two years from 1 April 2014 - were only entitled to a refund of their own contributions. Since 1 April 2014 the regulations have required that this must be paid within five years of the member leaving the scheme, but before that date there was no such requirement, and many members did not claim their refunds in case they re-joined the scheme in the future and could then count that service. This has meant that the Fund has built up a number of "frozen refunds" i.e., refunds that have not yet been claimed. It is planned to carry out a bulk review of these cases and pay as many as possible. This will help the Fund meet legal requirements that all benefits must be paid before the member's 75<sup>th</sup> birthday, assist with data cleansing in preparation for the national pensions dashboard and provide more certainty around that element of the Fund's liabilities.</p>					

### A13. Implement changes required for national pensions dashboard(s)

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
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✓*	✓*	✓*	✓*	✓*	✓*	To be confirmed
<p>Pension dashboards are a Government initiative first announced in the Budget 2016. The idea behind the dashboards is to allow all pension savers in the UK access to view the values of all of their pension pots, including the state pension, through one central platform. A consultation was undertaken by Government in early 2019 which sought views on the potential phasing of the introduction of pension dashboards as well as how the architecture, funding and governance arrangements would work. The legislative requirements for schemes (including public sector schemes) to participate in the dashboards are currently being consulted on, including the proposal that all public sector pension schemes should be onboarded in April 2024. This will be a fundamental project which is likely to have additional costs due to the development and testing of systems and processes.</p>						

### A14. Introduce pensions tax communication strategy

2022/23 Period	2023/24	2024/25	Expected Committee Agenda
✓			September 2022
<p>The Fund plans to introduce a Pensions Tax Communications Strategy setting out the information that will be provided to members, when and how it will be provided to manage members' expectations. This will be considered during early 2022/23 and brought to Committee for approval.</p>			

### A15. Review under/overpayment policy

2022/23 Period	2023/24	2024/25	Expected Committee Agenda
	✓		December 2023
<p>The Fund has published an under/overpayment policy setting out how it will deal with cases where members are under or overpaid their benefits. This policy should be reviewed at least every three years and as it was originally approved in January 2021, the next planned review is January 2024.</p>			

### A16. Review communications Strategy

2022/23 Period	2023/24	2024/25	Expected Committee Agenda
		✓	June 2024
<p>The Fund is required to have a Communications Strategy setting out how it communicates with the various stakeholders of the Fund and future plans to improve those communications. The strategy must be reviewed at least every three years and it was last reviewed in June 2021. Upon the next review consideration to be given to inclusion and diversity</p>			

## A17. Review Administering Authority and Employing Authority discretion policies

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	June 2024 (note the employing authority discretions policy requires approval of the Corporate Committee)

The Local Government Pension Scheme regulations provide the administering authority and scheme employers with a number of areas of discretion in how the Fund is managed, and some of these require a policy to be published. We consider it good practice to publish a statement of policy covering all discretionary areas. The Fund's administering authority discretionary policy was last reviewed in June 2021 and should be reviewed at least every three years. The London Borough of Hackney employing authority policy was last reviewed in September 2021. The next planned review for both policies is June 2024 but note the employing authority policy will be approved by the Corporate Committee.

## A18. Review Voluntary Scheme Pays policy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	June 2024

The Fund has a responsibility to ensure that pension taxation matters are dealt with according to relevant regulations and that members are given appropriate information. The Fund has previously published a Voluntary Scheme Pays policy which provides some flexibility in how tax charges relating to pension growth can be paid by a deduction to the scheme member's pension. This policy should be reviewed at least every three years, it was originally approved in June 2021 and therefore the next planned review is June 2024.

## A19. Review Administration Strategy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
				✓	March 2025

The Pensions Administration Strategy (PAS) sets out the relationship between the Fund, the third-party administrators, and the participating employers. It sets out each party's roles and responsibilities, and what is expected of them under the Regulations. It also sets out the expected timescales in which a party must take action (for example, when an employer must notify the third-party administrators that a member has left the scheme). The PAS must be reviewed at least every three years. It was last reviewed in March 2022 and so will be due for its next review in March 2025.

## A20. Implementation of employer engagement strategy

2022/23 Period			2023/24	2024/25	Expected Committee Agenda
✓	✓				No decisions required

The Fund has recently worked with the third-party administrator, Equiniti, to formulate an employer engagement strategy to support employers with their responsibilities. Further work is required by the Fund continuing to work in collaboration with Equiniti to gain assurances that the actions within the strategy are in place to support and educate employers. The full implementation will rely on items A3 and A5.

## A21. Other expected legislation changes including exit payment cap (£95k) and fair deal

2021/22 Period			2023/24	2024/25	Expected Committee Agenda
✓*	✓*	✓*	✓*	✓*	To be confirmed

### £95k Exit Cap and Wider Reforms

Changes took place in 2020 that put a cap on the total of exit payments for public sector employers, such as redundancy payments, for members leaving the scheme. This included pension fund strain costs within the calculation of the £95k cap. In February 2021 the regulations were revoked, and HMT has confirmed it will bring forward proposals to tackle unjustified exit payments in the near future. DLUHC will also be carrying out a separate consultation on the impact on the LGPS.

DLUHC also consulted on wider reform provisions in 2020 that could materially impact the type and amount of benefits paid to employees on early termination; if implemented, these impact on both payments made by employers as well as benefits paid from LGPS funds.

### Goodwin

In 2020 the Government settled a legal challenge relating to the Teachers' Pension Scheme from a male survivor of a female member, complaining that he was due to receive lower benefits than a survivor of a same-sex marriage/partnership would receive. It has been accepted that this decision will also affect other public sector schemes and we await guidance from DLUHC on the required changes to the Local Government Pension Scheme regulations.

### GMP equalisation

A court case in 2018 determined that it is necessary to revisit pension benefits for scheme members who accrued a GMP to ensure equal treatment between men and women. In the LGPS this has been dealt with by applying full indexation to the pensions of all those whose State Pension Age is after 5 April 2016 regardless of whether there is a GMP element to it. However, the Fund is likely to have to revisit transfers-out over a number of years to ensure the correct amount was paid in respect of the GMP element but further guidance from DLUHC is awaited.

### Cost Management

Public Sector Pension Schemes (including the LGPS) were designed to ensure sustainability for 25 years. The design included a cost management mechanism and at the 2016 valuations the lower threshold within that mechanism (i.e., the cost floor) was deemed to be breached which suggested member benefits would need to increase or their contributions reduce. Following the McCloud judgement, Government announced that any additional McCloud costs would fall to be deemed "member costs" within the cost management mechanism and it is not now expected that any changes to member benefits or contributions will be required on account of the 2016 exercise. The LGPs Scheme Advisory Board (SAB) has confirmed that no changes will be needed by virtue of its separate mechanism which applies to the LGPS in England and Wales in addition to the HMT mechanism which applies across all of the public service pension schemes. It should be noted however that the Trades Unions have applied for a Judicial Review of the decision to allocate McCloud costs to members as part of the 2016 cost management process. It is not yet known if the Judicial Review will go ahead, nor what the outcome will be if it does, but until the issue is resolved we cannot say with certainty that no changes will be required following the 2016 process.

In relation to the 2020 cost management process, on 24 June 2021 the Chief Secretary to the Treasury published a Written Ministerial Statement announcing publication of a consultation on proposed reforms to the cost control mechanism for Public Service Pension Schemes following the publication of the Government Actuary's review of the mechanism. On 4 October 2021 HM Treasury released their response to the consultation confirming that there will be changes to the mechanism from the 2020 scheme valuation. In light of this, the LGPS SAB is also reviewing its cost management process for England and Wales. It is not yet known if any changes flowing from the 2020 cost management process will be required. The widening of the corridor in the HMT process is intended to reduce the likelihood that changes will be required, but the LGPS SAB process was originally intended to be far more sensitive to changes in cost.

From an administrative perspective, should there be changes to member benefits and/or contributions as a result of the 2016 or 2020 cost management process, this could have a significant impact on administration processes and systems as well as requiring a robust communication exercise with employers and scheme members.

### **Fair deal**

In May 2016 DLUHC initially proposed that the New Fair Deal be extended to the LGPS. This would mean that any staff being outsourced would remain in the LGPS and their 'new' employer would gain admission body status, without the option of being able to offer a pension scheme that is broadly comparable to LGPS.

On 10 January 2019 a consultation document was published by DLUHC around the topic of Fair Deal – Strengthening Pension Protection. The consultation confirmed the 2016 proposal of service providers offering LGPS membership to individuals who have been compulsorily transferred from an LGPS employer, even if the contract is outsourced a second time (and removal of the option of a broadly comparable scheme). Within the 2019 consultation, there were also proposals about automatically transferring LGPS assets and liabilities when scheme employers are involved in a merger or takeover. This consultation closed on 4 April 2019. Final regulations are still to be made.

### **Increase in Normal Minimum Pension Age**

On 11 February 2021 HMT launched a consultation on implementing the increase in the normal minimum pension age from 55 to 57 in April 2028. The proposed change is designed to maintain a 10-year gap between minimum retirement age and state pension age as confirmed as part of Government's policy back in 2014. The proposals form part of the Finance Bill 2021-22 which is currently going through Parliament. Protections to retain the normal minimum pension age lower than age 57 are proposed for those:

- in a pension arrangement on or before 3 November 2021 and
- who are, or become, members of a scheme whose rules as at 11 February 2021 gave them an unqualified right to take their benefits between 55 and 57.

The proposals will require changes to the LGPS Regulations and (at the time of writing) the Bill is not yet an Act, noting that the proposals for protection have already been amended subsequent to the Government's original policy paper issued in July 2021. In the meantime, the Fund's administrators need to keep a note of any protected pension ages to which new members may be entitled, which will generally be due to existing scheme membership or a transfer-in from another pension arrangement.