

Report for: Pensions Committee and Board – 20 October 2020

Title: Government Consultation on the McCloud Remedy (Age Discrimination)

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Oladapo Shonola, Head of Pensions
Email: Oladapo1.shonola@haringey.gov.uk, Tel: 020 8489 1860

Ward(s) affected: Not applicable

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

- 1.1 The purpose of the paper is to provide information to members of the Pensions Committee and Board regarding the government consultation to address age discrimination relating to protections introduced when the Local Government Pension Scheme (LGPS) was reformed in 2014, commonly referred to as 'McCloud'.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. To note the contents of this report and any other verbal updates provided by officers and the fund's Independent Advisor in the meeting.

4. Reason for Decision

- 4.1. Not applicable

5. Alternative options considered

- 5.1. Not applicable

6. Background information

6.1. See attached appendix.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. The Committee had previously been made aware of cost implications of McCloud. These costs have been reviewed and revised by the Fund's actuary. Although the latest estimate is that cost to the Fund is likely to be considerably less than first projected, the final cost will only be known after all affected staff members have been identified and the government's response to the consultation and new direction on treatment of those affected is published by the government.

8.2. Perhaps more significant (certainly in the near term) is the additional administration burden that McCloud will place upon the fund: it is likely that hundreds and possibly thousands of pension cases from 2014 to the present day will have to be revisited with various aspects of pension benefits being recalculated retrospectively. An allowance for additional staffing relating to McCloud was made when setting the Pension Fund's budget for the current financial year. All such costs will be borne by Haringey Pension Fund.

Legal Services Comments

8.3. The Assistant Director of Governance has been consulted on the content of this report. There are no specific legal implications arising from this report.

Equalities

8.4. Not applicable

9. Use of Appendices

9.1. Appendix 1: Independent Advisor's Government Consultation to address Age Discrimination relating to 'transitional protection' in the LGPS (commonly referred to as "McCloud").

10. Local Government (Access to Information) Act 1985

10.1. Not applicable