

Briefing note

McCloud survey – administration reality bites with target date



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The Government’s intention is to have the McCloud legislation in place by April 2022. However, the majority of our McCloud survey respondents believe less than 85% of the required underpin checks and calculations can be completed by this target date.

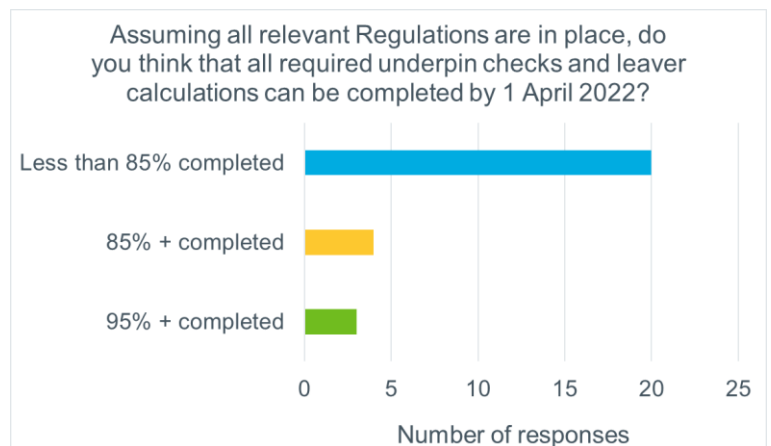
We can understand this uncertainty but there is a [roadmap](#) you can take to ensure progress is being made towards resolving the administrative issues caused by the McCloud ruling. With this roadmap, no LGPS Fund should be at the side of the road, wondering how to proceed!

And the survey says....

McCloud project plan

Of the respondents, **over half** do not yet have a plan in place to tackle the project. However, a sizeable minority have established a working group to oversee and direct the project, which is a positive step and a good indication of planning work already taking place.

Recommendation - We would urge all Funds to have a detailed project plan in place, with appropriate milestones and ownership for each project strand agreed. Please contact [Susan McKenzie](#) for further details.



McCloud barriers

We posed the question “What are the current barriers to work progressing?” with 3 main themes emerging:

- Regulations needing finalised
- Software providers updating calculations
- Resource constraints

The barrier Funds have most control over is resource constraints. While there is no magic wand to conjure up experienced personnel to fit straight into your administration teams, there are practical steps you can take to ease the burden on resource, such as advance planning of your resource at your busiest times as we discussed at our administration resource [webinar](#).

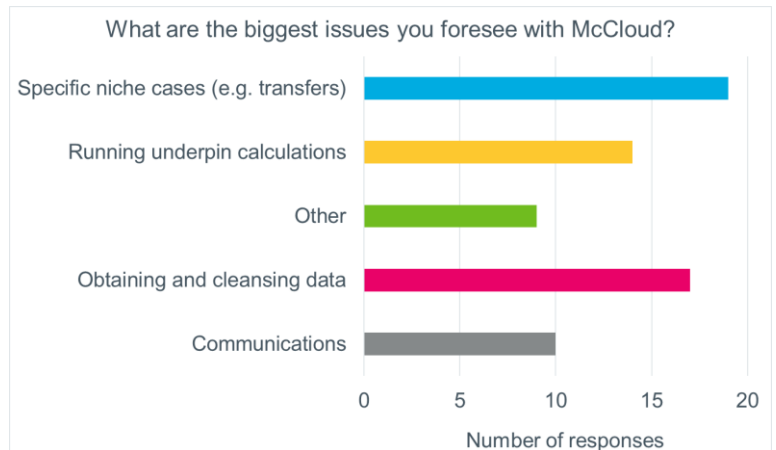
Recommendation - Detailed planning, training and targeted recruitment (where possible) will be key.

Biggest McCloud issues

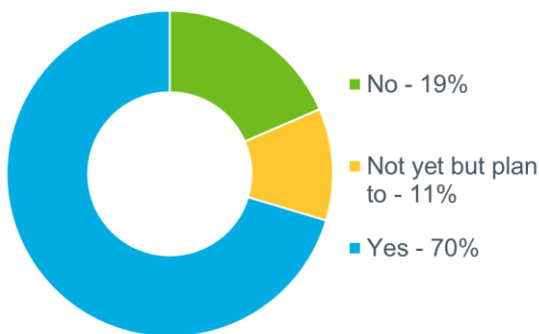
A **broad spectrum of issues were identified** when Funds were asked to highlight the biggest issues they foresee.

As is often the case, it is not the bulk part of administration that has Funds worried but those specific niche cases which give administrators nightmares. This is closely followed by concerns around obtaining and cleansing data. Communications were also considered an issue by one third of those who responded.

Recommendation – early identification of the level of transfers, aggregations and other ‘niche’ cases that will drain resource time. Hymans have been supporting multiple funds with their plans to address this type of work already. Contact [Alan Johnson](#) to discuss.



Have you done work to identify how many records might be impacted?



What action can be taken?

Identify scope

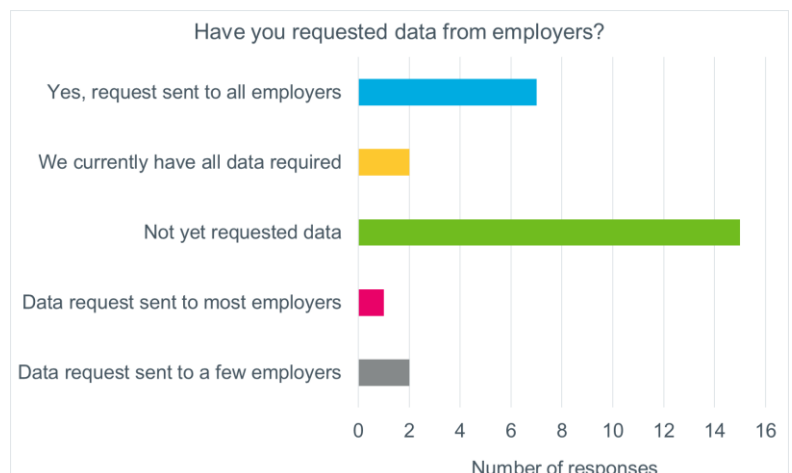
It was reassuring that the majority of Funds, around **three quarters**, have sought to identify the number of records potentially impacted. Armed with this knowledge, you can assess the potential resource implications for your administration teams and plan the data collection exercise.

Recommendation - Having established the members in scope for the exercise, the data held for these members may need to be cleansed. A request for any missing data will also need to be made to employers

Data and McCloud

Although most Funds have identified the scope, our survey has revealed that **over half of respondents have yet to request data** from Scheme employers. The data collection process should already be underway, bearing in mind SAB’s recommended deadline for submitting data is 31 March 2021. The volume of data to be collected and uploaded/cleansed will be significant, and there is a reliance on employers to provide this data. The sooner the data collection process is started, the more time will be available for cleansing data, running calculations and working through the more complicated cases.

Recommendation – Urgent action for those Funds yet to request data, to prioritise this now.



Data requests

For those Funds that have requested data we asked respondents to comment on the data that has been requested. From discussions with Funds it appears there are two available data request options:

1. Either a full data set is requested, which might be easier for employers to provide, but could throw up inconsistencies with data already held on administration systems.
2. Alternatively, only request data which is not currently held.

It is interesting to note that of those who have decided what data to request, **two thirds are requesting only data not currently held on the administration system.**

Communications

An overarching theme throughout the project is that of communication – whether it is with employers, members or other stakeholders, such as updates for your Committee. LGA has prepared a number of useful template communications which can be used as a starting point. Despite this, when responding to our question as to whether there were sufficient communications available, opinion was divided, but over 70% thought at least some additional template communications would be helpful. This point is supported by the work we have already done with a number of Funds in preparing template communications for them.



What next?

Despite all this uncertainty, the fundamentals of this project remain unchanged – collect and cleanse data and then run the underpin calculations. This work was always going to fall on the administration teams at funds and our survey has shown how they honestly feel about this challenge at present.

We have established that Funds are all at different stages in the process. At Hymans, we have a support team ready and available to lead you through the McCloud [roadmap](#), and work through the required steps and processes for your Fund to complete this project.