

ABERDEEN CITY COUNCIL

COMMITTEE	Pensions Committee
DATE	12 September 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	McCloud Determination
REPORT NUMBER	PC/SEPT25/MCCLOUD
EXECUTIVE DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Claire Mullen
TERMS OF REFERENCE	4.1

1. PURPOSE OF REPORT

- 1.1 To inform the Committee of the Fund's decision to exercise its flexibility under the Local Government Pension Scheme (Remediable Service)(Scotland) Regulations 2023 to make a determination to extend the implementation phase of the McCloud Remedy to 31st August 2026.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 Note the contents of the report for reassurance.

3. CURRENT SITUATION

- 3.1 See attached main report.

4. FINANCIAL IMPLICATIONS

- 4.1 The performance of the Fund over the long term can impact on the Fund's funding level and therefore the ability to meet its long-term liabilities.

5. LEGAL IMPLICATIONS

- 5.1 Failing to include remediable service information in the Annual Benefit Statement (ABS) for 2024 to 2025 and completing full rectification by 31st August 2025 would be a breach of the "McCloud Remedy" regulations and result in a report being submitted to the Pensions Regulator, unless the Fund exercises its discretion to delay this for a further year.
- 5.2 The decision to extend the implementation phase has been made under Powers Delegated to Officers, primarily 42) which gives delegated power to the Chief Officer – Finance "to administer the North East Scotland Pension Fund in accordance with the Local Government Pension Scheme Regulations and any other relevant legislation".

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendation of this report.

7. RISK

- 7.1 The Pension Fund maintains its own Risk Management Policy and regularly updates its Risk Register in line with change. This is reported quarterly to the Pensions Committee.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Lack of effective risk controls in relation to the Fund Strategy.	The Fund maintains its own Risk Management Policy and regularly updates its Risk Register in line with change. This is reported quarterly to the Pensions Committee.	L	Yes
Compliance	Lack of compliance with the Remedy Regulations.	The Fund has included information as required in the 2024/25 ABS and are exercising the determination to extend the implementation phase to 31 st August 2026.	N/A	N/A
Operational	No significant risks identified.	N/A	N/A	N/A
Financial	No significant risks identified.	N/A	N/A	N/A
Reputational	No significant risks identified.	N/A	N/A	N/A
Environment / Climate	No significant risks identified.	N/A	N/A	N/A

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I can confirm this has been discussed and agreed with Jonathan Belford, Chief Officer-Finance on 3 rd June 2025.
Data Protection Impact Assessment	Not required
Other	N/A

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 Appendix I, Work Plan

12. REPORT AUTHOR CONTACT DETAILS

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