

Staff and Pensions Committee

4 March 2024

Pension Fund Regulatory and Policy Update Report

Recommendation

That the Committee notes and comments on the updates contained within this Report.

1. Executive Summary

- 1.1 This Report confirms the findings of the annual review of Pension Fund policies. Any significant changes recommended to any policy are confirmed in the body of this report.
- 1.2 This Report also provides a regulatory update of the Local Government Pension Scheme (LGPS) over the last quarter.

2. Financial Implications

- 2.1 There are no financial implications arising directly from this Report.

3. Environmental Implications

- 3.1 There are no environmental implications arising from this Report.

4. Supporting Information

Warwickshire Pension Fund Policies

- 4.1 The Warwickshire Pension Fund Cyber Security Policy has been referred to Aon Hewitt for them to carry out a full review of its contents. Following the review, it should ensure the Fund meets the requirements for Cyber Security in the General Code of Practice on this subject. Training for all Committee members, Board and officers will also be arranged.
- 4.2 The Fund's Business Continuity Plan has been updated to reflect changes in personnel within the Fund. Officers will, however, be revisiting this document as Warwickshire County Council has a new version that teams within the County Council need to complete.

- 4.3 The Fund's Governance Process Review will be updated as soon as officers have checked all the requirements of the Pension Regulators General Code of Practice are met. This should be completed over coming months. Additional changes may also be required following the publication of the Scheme Advisory Board's 'Good Governance Review'. The Committee may recall that from the Hymans Robertson training last year that it is possible that changes may be required to the structure of the current Pension Committees in order to comply with the recommendations.
- 4.4 The Fund's Internal Dispute Resolution Procedure guidance has been reviewed but no material changes were required. This is the procedure that is followed by Pension Fund members, generally to raise an official complaint about a decision that has been made relating to their pension benefits.

Regulatory Updates for the Local Government Pension Scheme

Member Contributions

- 4.5 The 2024/25 employee contribution bands set out the employee contribution bands effective from 1 April 2024. These are calculated by increasing the 2023/24 employee contribution bands by the September 2023 CPI figure of 6.7% and then rounding down the result to the nearest £100.

Band	Actual Pension Pay	Main Section Contribution Rate	50/50 Section Contribution Rate
1	Up to £17,600	5.50%	2.27%
2	£17,601 to £27,600	5.80%	2.90%
3	£27,601 to £44,900	6.50%	3.25%
4	£44,901 to £56,800	6.80%	3.40%
5	£56,801 to £ 79,700	8.50%	4.25%
6	£79,701 to £ 112,900	9.90%	4.95%
7	£112,901 to £133.100	10.50%	5.25%
8	£133,101 to £199,700	11.40%	5.70%
9	£199, 701 or more	12.50%	6.25%

General Code of Practice

- 4.6 On 10 January 2024, the Pensions Regulator (TPR) produced the new General Code of Practice. The Scheme Advisory Board (SAB) is studying the Code to identify any new requirements for administering authorities and to consider how the Code's requirements align with items on the SAB workplan, such as the SAB's 2021 Good Governance recommendations.
- 4.7 TPR's research on governance and administration shows that the LGPS already has high standards of governance in place. The Code provides an opportunity for funds to review current practices, but also presents challenges during what is already a busy time for the LGPS. Clarity is required on which parts of the Code apply to the LGPS, what these mean for administering authorities and how they should be applied in practice. The SAB will support

authorities in understanding any new requirements in the Code and, where needed, will produce new or update existing guidance to help authorities with their responsibilities.

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The report was circulated to the following members prior to publication:

Local Member(s): N.A

Other members: Councillors Butlin, Dahmash, and Gifford