

Staff and Pensions Committee

9 September 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 most recent 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. Warwickshire Pension Fund Policies

- 4.1 Two of the Fund's Policies have been reviewed this quarter. These include:

Administration Strategy - Following a review of the existing policy, some minor amendments have been made in readiness for it to be placed on the website (Appendix 1). Changes include amendments to the wording to reflect the fund's current working practice and continued use of i-Connect.

A change has been made to the listed timescale for the payment of retirement lump sums to 15 days, in line with the revised Key Performance Indicators published by the Scheme Advisory Board.

A new timescale has been added asking that Employers notify the fund of any outsourcing that will lead to a new employer applying to join the fund as soon as the contractor is known.

Admissions and Termination Policy - Hymans Robertson have been instructed to review and update our Admissions and Terminations Policy. A Draft policy has been sent to the fund for review.

This Policy was on the Forward Plan for the September 2024 meeting but has now been delayed to keep the policy aligned with any changes made to the Funding Strategy Statement and particularly the fund's cessation approach. The Admissions and Termination Policy will now be on the agenda for the meeting on 9 December 2024.

5. Regulatory Updates and information relating to the Local Government Pension Scheme

- 5.1 **DLUHC reverts to MHCLG** - Following the General Election and change of Government, Angela Rayner was appointed Deputy Prime Minister and Secretary of State for Levelling Up, Housing and Communities on 5 July 2024. The department reverted to its former name, the Ministry of Housing, Communities, and Local Government (MHCLG), on 8 July 2024.
- 5.2 **New Minister for LGPS** - On 6 July 2024, Jim McMahon MP was appointed Minister of State at MHCLG. The role includes ministerial responsibility for local government, including the LGPS.
- 5.3 **Government Launches pensions review** - On 20 July 2024, the Government announced a pensions review. The review will be jointly led by HM Treasury and the Department for Work and Pensions. The review has indicated that it will look at how to 'unlock the investment potential of the £360 billion LGPS' and 'tackle the £2 billion that is being spent on fees'. As part of this, the Government will consider legislating to mandate pooling if insufficient progress is made by March 2025. The review will also consider the benefits of further consolidation to cut down on 'fragmentation and waste' in the LGPS.
- 5.4 **LGA Annual Conference** – The annual conference is taking place on 30 and 31 January 2025 at the Highcliff Marriott Hotel in Bournemouth. If you are interested in attending the conference, please contact alistairwickens@warwickshire.gov.uk.
- 5.5 **New Pensions Minister** - On 9 July 2024, Emma Reynolds MP was appointed Parliamentary Secretary across both HM Treasury and the Department for Work and Pensions (DWP). They have ministerial responsibility for state pensions.
- 5.6 **Scheme Advisory Board Cost Management Process Complete** - The Government's Actuary Department has now completed the scheme cost

assessment required under Regulation 116 of the LGPS Regulations 2013. Scheme costs were assessed as being 20.5 percent of pensionable pay, 1 percent above the 19.5 percent target cost. This is within the range where the Board may make recommendations to amend benefits to bring scheme costs back towards the target cost but is not obliged to. Following discussion, the Board agreed not to recommend any changes.

6. Timescales associated with the decision and next steps

None.

Appendices

1. Appendix 1 Administration Strategy

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

Local Member(s): Not applicable.

Other members: Councillor Yousef Dahmash and Councillor Bill Gifford