



WARWICKSHIRE
PENSION FUND

Business Plan

2025/2026

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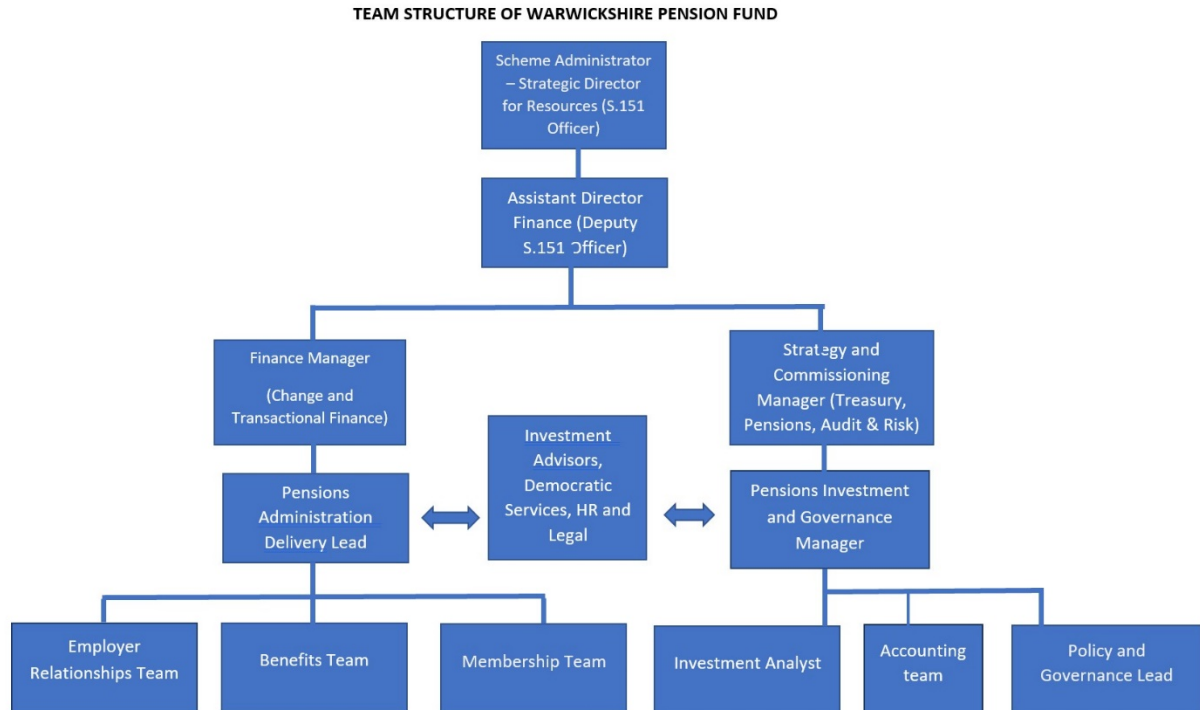
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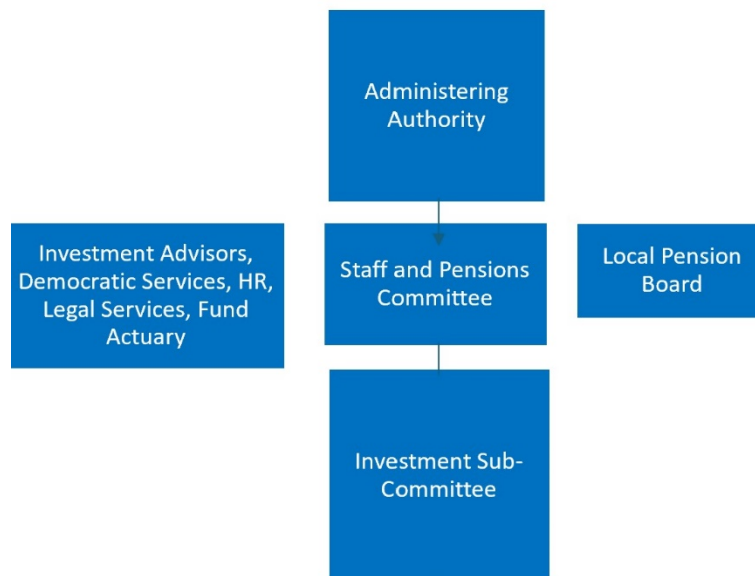
1. Introduction

- 1.1 This document sets out the business plan for the Warwickshire Pension Fund for 2025/26, including objectives, strategic priorities, and an action plan to achieve them.
- 1.2 Warwickshire County Council (WCC) is the Administering Authority of the Warwickshire Pension Fund ('the Fund') administering both the Local Government and Firefighter Pension Schemes. This business plan relates to the Local Government Pension Scheme only.
- 1.3 The role of Scheme Manager for the Warwickshire Pension Fund is undertaken by the s151 Officer and Executive Director for Resources for Warwickshire County Council.
- 1.4 The administration of the fund is carried out through Warwickshire County Council's Staff and Pensions Committee, the Pension Fund Investment Sub Committee, and the Local Pension Board and WCC employs a Pensions Administration Team within Finance to undertake the day-to-day operation of the Fund.
- 1.5 The Staff and Pensions Committee and Pension Fund Investment Sub-Committee are comprised of elected county council members whilst the Local Pension Board is an equal mix of representatives of employers and scheme members with an independent chair in accordance with the requirements of the Public Services Pension Act 2013.

2 Operations Team Structure of Warwickshire Pension Fund



Governance Structure



3 Review of year to date

- 2.1 At January 2025, the total membership of the fund stood at 60,449. This includes active, deferred and pension members of the Fund. Pension fund membership continues to increase over the long-term. This increase is expected to continue due to automatic enrolment and increased public awareness of pensions.
- 2.2 The number of employers within the scheme has increased to 241 at January 2025, and this also continues a long-term trend of an increasing number of active employers, driven for example by academisation and the contracting out of services by organisations within the pension fund.
- 2.3 The complexity of the scheme continues to increase over time. In the past year there has been the abolition of the Lifetime Allowance, changes to Further Education employer guarantees, Pension Dashboard ISP procurement, a comprehensive review of the Funds compliance with the TPR General Code of Practice, and the simpler final salary pension activity being gradually replaced by more complex calculations for pensions which have to incorporate different rules and retirement ages for different periods of membership.
- 2.4 The fund value has continued to increase and was at £2.97bn by the end of September 2024
- 2.5 The complexity of investment activity has steadily increased with the introduction of “alternatives” funds.
- 2.6 In the longer term, pooling will reduce, if not remove entirely, the number of fund managers that the Fund commissions directly as LGPS pools are expected to take on full responsibility for investment implementation, however the increased complexity in terms of the number of different mandates invested in is expected to remain.
- 2.7 In November 2024 the Government published its ‘Fit for the Future’ consultation document on LGPS reform. The changes call for funds to transfer all legacy assets to their Pool, set out their approach to local investment and take principal investment advice from their Pool while retaining responsibility for strategic asset allocation. The proposed deadline for implementation of the outcome of the ‘Fit for the Future’ consultation is March 2026. The proposed changes also implement the majority of the

recommendations from the Scheme Advisory Board's Good Governance report. At the time of writing the Fund's consultation response deadline has passed but the Government's response has not yet been published.

3. Long term objectives

3.1 The Fund's fundamental objectives are that:

i.) Pension benefits are paid to members accurately and on time;
and

ii.) Funds are available to pay benefits when they fall due.

3.2 To do this the Fund will:

i.) Ensure the governance arrangements of the Pension Fund allow officers, employers, pension fund committee and Pension Board members to discharge their responsibilities efficiently and effectively;

ii.) Deliver a high-quality pension administration service, working effectively with scheme employers and maintaining a constant focus on data quality and customer service; and

iii.) iii.) Ensure the financial sustainability of the Fund through effective forecasting of long-term liabilities, determination and collection of appropriate contributions and generation of an appropriate risk adjusted return from the fund's investments.

3.3 The Fund will have regard to other factors as set out in relevant policies, for example in respect of climate change, social impact, and investment in the UK, however those considerations cannot take priority over the above.

4. Key Actions and Performance Measures

4.1 Key actions and performance indicators for the Fund are organised into the categories of administration, investment, and governance / management.

Administration

4.2 Administration service performance measures are set out in Appendix A.

4.3 Alongside the key metrics for the administration service a number of key activities will be progressed, these include:

i.) The implementation of the McCloud remedy;

ii.) Expanding the number of members using the online member self-service portal; and Preparation for the introduction of the Pensions Dashboard.

Investments

- 4.4 Ultimately, the Fund needs to focus on ensuring that the rates of return required by the triennial valuation are achieved and that enough income is generated to cover any shortfall between contributions, benefits and expenses.
- 4.5 To support this aim, the Investment Strategy sets out a Strategic Asset Allocation (Appendix B), and within each investment fund a target risk / return profile is delivered over the appropriate timeframe, i.e. performance is usually measured over the medium to long-term.
- 4.6 In addition to business as usual the following key activities will be undertaken:
 - i.) Further development of Environmental, Social and Governance (ESG) monitoring and climate change actions.
– Task Force on Climate-Related Financial Disclosures (TCFD)
 - ii.) Supporting the further development of the Border to Coast Pension Partnership 2030 strategy and supporting development of additional capabilities including advisory.
 - iii.) Review the implications of the LGPS Fit for the Future Consultation and actions required.

Governance / Management

- 4.7 In maintaining the good governance of the Fund, the following additional performance measures and key actions will be delivered:
 - i.) Cash flow management will continue to have a high profile to ensure that it is not necessary to sell assets under distress.
 - ii.) The development of an action plan to ensure the Fund complies with Good Governance requirements and with the Pensions Regulator Code of Practice.
 - iii.) The pension fund accounts being prepared and published on time, and without qualification by external audit. Delays in approving the Accounts have been experienced in previous years due to external audit and team capacity.

5. Key Business Plan Themes

Workforce Planning

- 5.1 Workforce planning will continue to be undertaken to promote staff retention and maintaining resilience within small and specialised services.

- 5.2 Staffing capacity will be kept under review. Resources required for specific projects will be identified and approved through business cases and project management approaches.

Ensuring Appropriate Governance

- 5.3 The Fund will review the outcomes of the Scheme Advisory Good Governance Project and Pension Regulators General Code of Practice and take steps to implement any new requirements.

Climate Change / ESG Policy

- 5.4 The Fund will continue to mitigate the Fund's exposure to climate risk and to ensure climate issues are appropriately considered in its decision making.

Developing Improved Systems

- 5.5 Member Self Service will be moved to a new platform ("Engage") and will continue to expand its coverage to a wider proportion of the scheme's membership.
- 5.6 Implementation of Pensions Dashboard functionality will continue to be an important activity for the Fund but will be driven by externally set timelines.

Collaboration

- 5.7 The Fund will collaborate with partner funds and the Border to Coast Pension Partnership (BCCP) to further develop the performance and activities of the Pool and expand the benefits of pooling. This activity will be affected by the direction of the Government's decisions following the LGPS Fit for the Future consultation.

Pooling

- 5.8 The BCCP will continue to develop new products and Warwickshire Pension Fund will work with BCCP and partner funds to help to shape the products being developed.
- 5.9 The Fund will continue to work alongside the pool and partner funds on responsible investment and sustainability, including making more use of metrics to evidence and promote sustainable activity.

Investing in Employer Liaison

- 5.10 The Fund will work closely with employers, providing information, support, signposting, and training to help employers to meet their responsibilities.

6. Actions

- 6.1 Appendix C sets out a summary of the actions planned for the coming year. The activity plan focuses on significant change activity and activity to do with delivering key functions.
- 6.2 Actions are grouped into the following categories:
 - i.) Ensuring a high-quality administration service
 - ii.) Actuarial activities
 - iii.) Maximising Investment Benefits
 - iv.) Ensuring Good Governance
 - v.) Sustainability

Administration Performance Measures

Key Performance Indicator	Fund Target (95%)
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days
Communication issued confirming the amount of dependents pension	10 days
Communication issued to deferred member with pension and lump sum options (quotation)	15 days
Communication issued to active member with pension and lump sum options (quotation)	15 days
Communication issued to deferred member with confirmation of pension and lump sum (actual)	15 days
Communication issued to active member with confirmation of pension and lump sum (actual)	15 days
Payment of lump sums (actives and deferred)	15 days
Communication issued with deferred benefits	30 days
Communication issued to scheme member with completion of transfer in	15 days
Communication issued to scheme member with completion of transfer out	15 days
Payment of refund	10 days
Divorce quotation	45 days
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days
Communication issued to new starters	40 days
Member estimates requested by scheme member and employer	15 days

Strategic Asset Allocation

Asset class	Current Target Asset Allocation (%)	Asset Allocation Range (%)
UK equities	6.0	+/-2.5
Overseas equities	29.5	+/-2.5
Fundamental global equity*	5.0	+/-2.5
Private equity	5.75	n/a
Total Growth	46.25	
Property	10.0	n/a
Infrastructure	9.0	n/a
Private debt	6.25	n/a
Multi asset credit	10.0	n/a
Climate Opportunities	1.0	n/a
Total Income	36.25	
UK corporate bonds	11.5	+/-1.5
UK index linked bonds	6.0	+/-0.5
Total Protection	17.5	
Total	100.0	

* Refers to passive global equities invested in line with the RAFI All World 3000 index, which weights underlying constituents by fundamental factors as opposed to traditional market capitalisation weightings.

Appendix C

Single Action Plan

C1. Ensuring a high-quality administration service

Ref	Action	Timescale 25/26	Position for 26/27	Position for 27/28
1	Annual Pensioners Newsletter issued by 30th June	By 30 th June 2025	By 30 th June 2026	By 30 th June 2027
2	Annual benefit statements issued by 31st August	By 31 st August 2025	By 31 st August 2026	By 31 st August 2027
3	Update member portal from Member Self Service to Engage system	By 30 th June 2025	Ongoing use of Engage	Ongoing use of Engage
4	Expand number of users of member portal	Ongoing	Ongoing	Ongoing
5	Develop online retirement process within member portal	Not applicable	By 30 th September 2026	Ongoing
6	Annual Allowance statements issued	By 5 th October 2025	By 5 th October 2026	By 5 th October 2027
7	Employer Engagement/Employer Training	Quarterly	Quarterly	Quarterly
8	Administration performance - KPIs reported to the Staff and Pensions Committee and Local Pensions Board,	Quarterly	Quarterly	Quarterly
9	Review of Pension Fund website	Ongoing	Ongoing	Ongoing
10	Review of complaints and compliments received, and report to Staff and Pensions committee during the year	Quarterly	Quarterly	Quarterly
11	Prepare scheme for increases to minimum to pension ages to 57	Not applicable	Not applicable	In advance of changes on 6 th April 2028
12	Data quality review	Ongoing – To include exercise needed for National Pension Dashboard	Ongoing	Ongoing
13	National Pension Dashboards	Ongoing – Scheme must connect to dashboard framework by 31 st	Ongoing – We expect the dashboard to be launched to the	Ongoing

		October 2025	public during this year.	
14	Overseas payment contract procurement	Not applicable	Contract procurement in advance of 31 st October 2026	Ongoing use of new contractor
15	Procurement for Fire Pension Scheme administration provider	Not due until 2027	Contract procurement in advance of 31 st March 2027	Ongoing administration with new provider
16	Full Internal audit of Pension Administration Service	Expected in 2026/27	During financial year	Not applicable
17	Prepare for tax changes to death benefits payable from the fund	Not Applicable	In advance of changes on 6 th April 2027	Ongoing
18	Explore options for moving hosting of pension administration servers	Ongoing	Ongoing	Ongoing

C2. Actuarial Activities

Ref	Action	Timescale 25/26	Position for 26/27	Position for 27/28
19	Monitor employer contribution performance through the year	Monthly	Monthly	Monthly
20	Provide Fund Actuary with member and cashflow data for the period 1 April 2022 to 31 March 2025 to enable 2025 triennial valuation of the Fund	July 2025	Not Applicable	Not Applicable
21	Issue draft Employer Contribution rates to all active employers prior to fund AGM	November 2025	Not Applicable	Not Applicable
22	Issue final employer contribution rate communication to all active employers by agreed deadline	March 2026	Not Applicable	Not Applicable
23	Publish final Valuation Report including Results and Adjustment certificate	March 2026	Not Applicable	Not Applicable
24	Agree precepting employers' contribution rates	April 2025	Not Applicable	Not Applicable

C3. Optimising Investment Risk and Return

Ref	Action	Timescale 25/26	Position for 26/27	Position for 27/28
25	Support the development of new Border to Coast fund products, for example the property fund	As funds launch	As funds launch	As funds launch
26	Continue to move the investment mix towards the long-term Strategic Asset Allocation	Ongoing – reviewed periodically	Ongoing – reviewed periodically	Ongoing – reviewed periodically
27	Appropriate engagement with the governance of Border to Coast via the Joint Committee, Operational Officers Group, and Section 151 Meetings, and through the exercising of shareholder voting rights	Ongoing	Ongoing	Ongoing
28	Work with BCPP to meet local UK investment requirements	March 2026	Not Applicable	Not Applicable
29	Work with BCPP to meet new advisory requirements from the Fit For the Future consultation	March 2026	Not Applicable	Not Applicable
30	Review Investment Strategy Statement	By March 2026	By March 2027	March 2028

C4. Ensuring Good Governance

Ref	Action	Timescale 25/26	Position for 26/27	Position for 27/28
31	Deliver the Pension Fund Annual General Meeting, aiming for positive feedback from all stakeholders	December 2025	December 2026	December 2027
32	Production of draft statement of accounts	May 2025	May 2026	May 2027
33	Publication of Annual Pension Fund Report	November 2025	November 2026	November 2027
34	Review of Policy Register and schedule for regular review and the timely delivery of policy updates	Ongoing at Intervals as agreed by Fund	Ongoing at Intervals as agreed by Fund	Ongoing at Intervals as agreed by Fund
35	Maintenance of business continuity planning and cyber security arrangements – periodic updating and testing	Ongoing at Intervals as agreed by the Fund	Ongoing at Intervals as agreed by the Fund	Ongoing at Intervals as agreed by the Fund
36	Develop and implement a comprehensive General Code of Practice action plan that incorporates all actions identified in the recent compliance check, as well as the recommendations for good governance outlined in the 'Fit for the Future' consultation	Ongoing	Ongoing	Ongoing
37	Develop fund-wide medium term financial planning and monitoring	Ongoing	Ongoing	Ongoing

C5. Sustainability

Ref	Action	Timescale 25/26	Position for 26/27	Position for 27/28
38	Further develop the Fund's Climate Risk Strategy and the Fund's approach ESG, including the development of goals and milestones and monitoring of metrics	December 2025	December 2026	December 2027
39	Implement and update TCFD disclosure requirements	March 2026	March 2027	March 2028

40	Engage with pooling partner funds and Border to Coast on climate change and RI developments	Quarterly – Update Policies Annually	Quarterly – Update Policies Annually	Quarterly – Update Policies Annually
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