

LGPS Update

Report of the Director of Finance and Public Value

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

1) Recommendation

That the Board be asked to:

- (a) Note the developments affecting the LGPS

2) Introduction

- 2.1 This report is brought to the Pension Board to provide an update on the latest developments affecting the LGPS.

3) Confirmation of annual revaluation, earnings and pension increases

- 3.1 On 25 January 2024, HM Treasury (HMT) published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase due to apply from April 2024. The statement confirms:
- public service pensions will increase on 8 April 2024 by 6.7%, in line with the Consumer Prices Index for the year up to September 2023
 - revaluation of 6.7% plus any local addition will be used in April 2024 to revalue CARE accounts in public service pension schemes that use prices as the measure of revaluation

4) 2024/25 Employee Contribution bands

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

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £17,600	5.50%	2.75%
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%

5) Preparing the Pension Fund Annual Report – updated guidance

- 5.1 This guidance is the first publication which has been reviewed and jointly approved by the SAB's Compliance and Reporting Committee (CRC), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Department for Levelling Up, Housing and Communities (DLUHC). It replaces the 2019 guidance produced by the CIPFA Pensions Panel, which was disbanded in 2021.
- 5.2 The new guidance applies to 2023/24 annual reports which are due for publication by 1 December 2024, and later years. The guidance says funds should use their best endeavours to comply fully with the requirements for 2023/24 but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost. The guidance will be kept under regular review.
- 5.3 The purpose of the guidance is to assist local government pension funds with the preparation and publication of the pension fund annual report, as required by regulation 57 of the Local Government Pension Scheme Regulations 2013 (in respect of England and Wales). It also aims to ensure that reporting across the scheme is consistent and provides comparable data for all funds.
- 5.4 Most of the required detail has been included in the Devon Fund Annual Report in previous years, consistent with previous guidance and good practice. The key changes in the new guidance are:

- Additional requirements to report on the proportion of investment assets that have been pooled, split by asset class.
- A new requirement to report on investments in UK assets, including UK Equities, UK Government Bonds, UK Infrastructure and UK Private Equity.
- The option to report on their investments in support of the Government's levelling up agenda, in advance of the introduction of regulations requiring such reporting.
- There is no longer a requirement to include the full text of the Fund's statutory statement within the Annual Report, so long as a link to the documents, as they stood at 31st March, is included, so that it is clear to readers how they can be accessed. If hard copies of the Annual Report are provided, then copies of the statutory statements should be included with them.

5.5 Officers will have regard to the revised guidance in compiling the Fund's 2023/24 Annual Report. The full guidance can be found at:
<https://lgpsboard.org/images/Guidance/Annual%20Report%20Guidance%202024.pdf>.

6) Conclusion

6.1 The Pension Board is asked to note the issues and developments of the LGPS outlined in the report.

Angie Sinclair

Director of Finance and Public Value

Electoral Divisions: All

Local Government Act 1972: List of background papers

Nil

Contact for enquiries:

Name: Charlotte Thompson

Telephone: 01392 381933

Address: Room 180 County Hall