

West Northamptonshire Council

Pension Fund Committee

29/3/2023

Mark Whitby – Head of Pensions

Report Title	Northamptonshire Pension Fund - Business Plan and Medium-Term Strategy 2023/24
Report Author	Mark Whitby Head of Pensions mark.whitby@westnorthants.gov.uk

Contributors/Checkers/Approvers

West MO	Sarah Hall on behalf of Catherine Whitehead	21/3/2023
West S151	James Smith on behalf of Martin Henry	7/3/2023
Head of Pensions	Mark Whitby	28/2/2023

List of Appendices

Appendix A – Northamptonshire Pension Fund Business Plan and Medium-Term Strategy 2023/24

Appendix B – Yearend status of Business Plan activities for 2022/23

Appendix C - Variances against the forecast of investments and admin expenses for 2022/2023

Appendix D - Climate Action Plan 2023/24

1. Purpose of Report

- 1.1. To present to the Pension Committee the Northamptonshire Pension Fund Business Plan and Medium-Term Strategy 2023/24.

2. Executive Summary

- 2.1 The Northamptonshire Pension Fund has for many years considered it good governance to have in place a Business Plan and Medium-Term Strategy that is reviewed on an annual basis for the start of the next financial year. The Business Plan and Medium-Term Strategy:

- Sets out the objectives of the administering authority with regards to the management of the Fund;
- Documents the priorities and improvements to be implemented during the next three years to help achieve those objectives;
- Enables progress and performance to be monitored in relation to those priorities; and
- Provides a clear vision for the next three years.

3. Recommendations

- 3.1 The Pension Committee is asked to:
- 1) note the status of the 2022/23 business plan activities and current financial position (see section 5.1)
 - 2) approve the contents of the Business Plan and Strategy 2023/24 (see section 5.2)
 - 3) a) approve a change in the Committee review cycle for Fund Strategies and Policies to a standardised 3-year review cycle (or as and when required should Regulations or other factors necessitate an earlier review of the Fund Strategy or Policy) (see section 5.3)
b) delegate to the Head of Pensions the approval of non-material amendments to Fund Strategies and Policies between triennial reviews (see section 5.3)
 - 4) approve the delegation for the Head of Pensions to progress the procurements within the Business Plan and award contracts to the successful suppliers (see section 5.4)

4. Report Background

- 4.1 It is considered good governance for the Northamptonshire Pension Fund to adopt a Business Plan and Medium-Term Strategy that:
- Sets out the objectives of the administering authority with regards to the management of the Fund;
 - Documents the priorities and improvements to be implemented during the next three years to help achieve those objectives;
 - Enables progress and performance to be monitored in relation to those priorities; and
 - Provides a clear vision for the next three years.
- 4.2 The proposed Business Plan and Medium-Term Strategy for the Northamptonshire Pension Fund for the period 2023/24 to 2025/26 is in Appendix A.

5. Issues and Choices

- 5.1 Update on the 2022/23 Business Plan
- 5.1.1 The Business Plan activities from the 2022/23 financial year have been reviewed with a yearend position being established. The majority of activities have achieved a 'green' RAG status whereby the activity is either completed or it was pre-determined that the activity would be completed after March 2023/24.
- 5.1.2 There were two exceptions where the RAG status was 'red' in the following areas –
- Complete the Guaranteed Minimum Pension Rectification
 - Processing of undecided leaver records
- These activities did not progress at the desired rate for 2022/23 and have been rescheduled as part of the 2023/24 Business Plan for resolution.
- 5.1.3 Full details of the yearend position of all the activities can be located in Appendix B.
- 5.1.4 The latest available variances against the forecast of investments and administration expenses for the 2022/23 year can be located in appendix C.

5.2 Business plan and Medium-Term Strategy 2023/24

- 5.2.1 The Business Plan and Medium-Term Strategy concentrates on activities that are not considered business as usual, identifying key milestones and budget requirements. It is split into the following core areas:
- Procurement of services
 - Core governance activities
 - Scheme member and data projects
 - Investment related activities
 - Communications
- 5.2.2 Progress made against the Business Plan will continue to be reported to the Committee at each meeting via the Business Plan Update report or other relevant report (where appropriate). Where progress against the Business Plan has fallen behind schedule further detail will be provided.
- 5.2.3 Estimated costs for the activities in appendix A have been detailed alongside the activity and within the financial forecasting for the relevant years. Where further costs become known during the course of the new financial year these will be notified to the Committee via the Business Plan Update report.
- 5.2.4 The Climate Action Plan for 2023/24 is located at Appendix D. The Climate Action Plan has been updated and expanded from the previously published version. If agreed as part of the approval of the Business Plan activities, the new version will be published on the Fund's website.
- ## 5.3 Core documents of the Fund
- 5.3.1 The Fund is required to publish core documents in relation to the administration of the Fund and make sure that they are accessible to its members. The proposal in the Business Plan is to introduce a three-year Committee review cycle (unless stated otherwise) on policies and strategies with the delegated authority for Officers to review within the interim period and make non material amendments as required.
- 5.3.2 If material changes are required to a policy or strategy before the three-year review point, the changes will be brought to the Committee for approval at the next available meeting, for example this may be where regulations have changed which impacts the fundamental basis of a policy or strategy in place.
- ## 5.4 Pension Fund procurements
- 5.4.1 During 2023-24 the Northamptonshire Pension Fund will be actively participating in procuring services in the following areas –
- Actuarial services
 - Benefits and governance consultancy services
 - Legal services
 - Pensions administration and pensioner payroll platform
 - Address and mortality screening services
- 5.4.2 In order to run the exercises efficiently the Committee is asked to approve the delegation for the Head of Pensions to undertake these procurements and award the successful supplier's contracts at the appropriate times. Without the delegation in place there is a risk that decisions are not made in a timely manner and may impact the overall implementation dates.

6 Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 Performance against the financial estimates in the Business Plan will be presented to the Pension Committee each meeting. The Business Plan sets out the cost of each activity where known or where costs become known during the course of the year, the Pension Committee will be updated accordingly.

6.2 Legal

6.2.1 There are no legal implications arising from the proposals.

6.3 Risk

6.3.1 The mitigated risks associated with this report have been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Those charged with governance are unable to fulfil their responsibilities effectively.	Green
Pension Fund objectives are not defined and agreed.	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

The Fund's full risk register can be found on the Fund's website at the following link:

[Northamptonshire Risk Register](#)

6.4 Relevant Pension Fund Objectives

6.4.1 The following objectives have been considered in this report -

- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
To continually monitor and measure clearly articulated objectives through business planning.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

6.5 Consultation

6.5.1 Not applicable.

7 Background Papers

7.1 Not applicable