

# Business Plan and Medium Term Strategy

2023/24 to 2025/26

## Introduction

This is the business plan for the Northamptonshire Pension Fund which is managed and administered by West Northamptonshire Council. The business plan details the priorities and areas of key focus in relation to the Northamptonshire Pension Fund for 2023/24, 2024/25 and 2025/26. The business plan was approved at the Pension Committee meeting on xx/xx/xxxx. The business plan is monitored throughout the year and the Pension Committee may be asked to agree changes to it.

The purpose of the business plan is to:

- Explain the background and objectives of West Northamptonshire Council in respect of the management of the Northamptonshire Pension Fund;
- Document the priorities and improvements to be implemented during the next three years to help achieve those objectives;
- Enable progress and performance to be monitored in relation to those priorities; and
- Provide a clear vision for the next three years.

In addition, the business plan includes a budget for expected payments to and from the Northamptonshire Pension Fund during 2023/24 including the resources required to manage the Fund.

## Further information

If you require further information about anything included or related to this business plan, please contact:

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## Background to the Northamptonshire Pension Fund

The Northamptonshire Pension Fund is a £3.37bn\* Local Government Pension Fund which provides retirement and death benefits for local government employees (other than teachers) in Northamptonshire and employees of other qualifying bodies which provide similar services.

The Fund's total membership\* is approximately 76,519 of which 24,055 are active members from over 300\* individual contributing employers and approximately 52,464 retired, survivor, deferred and other members.

*\*As at 31 March 2022*

## Governance and management of the Fund

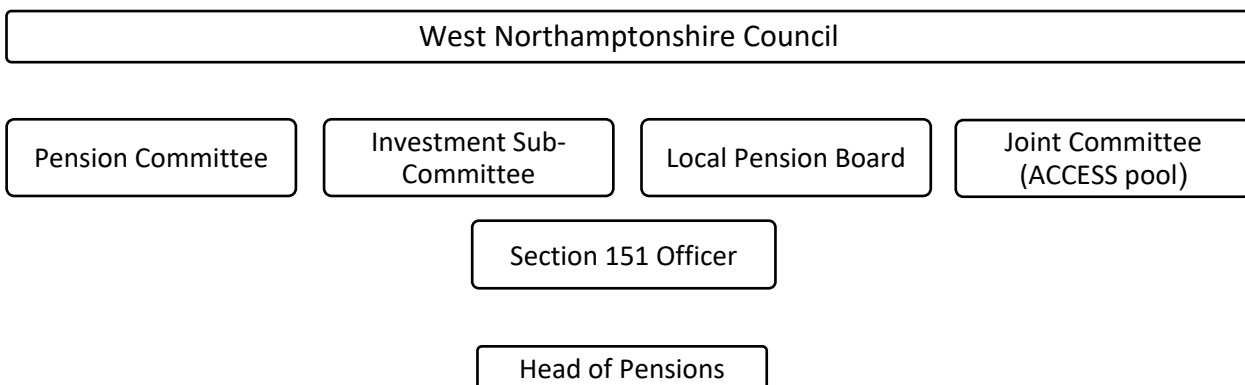
The key decision-making and management of the Fund has been delegated by West Northamptonshire Council (the administering authority) to a formal Pension Committee, supported by an Investment Sub-Committee that looks at the operational governance of investment issues.

West Northamptonshire Council's Section 151 Officer has a statutory responsibility for the proper financial affairs of the Council including Pension Fund matters.

Eleven authorities, including West Northamptonshire Council, are working collaboratively to meet the Government's asset pooling agenda by forming the ACCESS pool. A Joint Committee with representation from each Fund has been formed to oversee the governance of the pool.

A Local Pension Board is in place to assist in securing compliance of Fund matters and ensuring the efficient and effective governance and administration of the Fund.

The governance structure is detailed below:



## Administration of the Fund

The Cambridgeshire and Northamptonshire Pension Funds are administered under a lead authority model with the lead authority being West Northamptonshire Council working in partnership with Cambridgeshire County Council. The Funds remain two distinct entities.

Management and administration of both Funds is based at One Angel Square in Northampton. The Funds have benefited from cost savings through the ability to procure services such as custodian, actuarial, benefits, governance and investment consultancy on a joint basis as well as streamlining the provision of the administration functions.

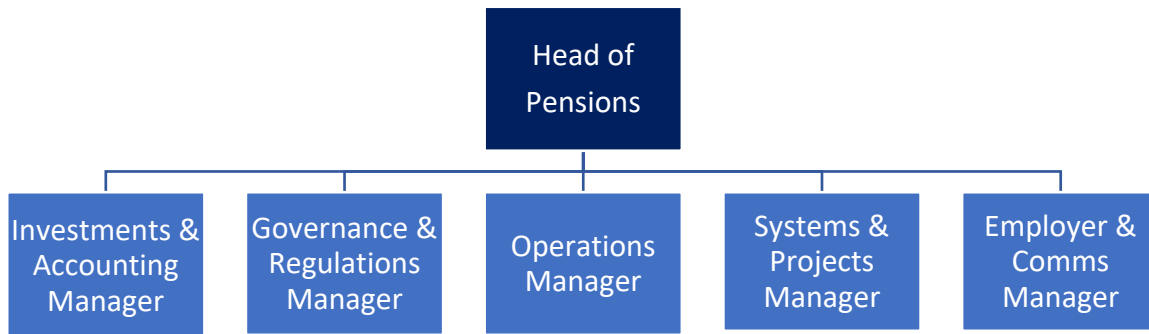
The day-to-day operations of the Fund are managed by the Head of Pensions who is supported by five teams:

- The Governance and Regulations Team is responsible for managing agendas, producing reports and delivering training to the Pension Committee and Local Pension Board. In addition, the team takes the lead in the development of strategic policies relating to the operation, governance and management of the Fund and monitors compliance and provides quality assurance with prevailing LGPS specific and overriding legislation. The team specialises in information governance and pension taxation.
- The Investments and Fund Accounting Team liaises with the ACCESS asset pool and provides governance over the Fund's investments whether held directly or by the ACCESS pool, reporting to the Investment Sub-Committee and other Committees as required. The team also provides the financial control function to the Fund, managing and accounting for the receipt of contributions from employers, processing the Fund's financial transactions and overseeing the production and audit of the Annual Report and Statement of Accounts.

The Operations Team is responsible for providing the full range of casework administration. The team delivers a service that includes the calculation of retirement, deferred, death and survivor benefits, transfers in and out, refunds and member record maintenance.

- The Systems & Projects Team is responsible for deliver a wide range of projects that are required to be delivered across the service. The current projects that are being delivered are GMP rectification, overseas proof of existence checks on pensions in payment, data quality improvements, preparations for the McCloud remedy and targeted areas of casework classified as backlog. The team is also responsible for maintaining the pension administration, payroll, employer and member self-service systems, reconciling membership data received from employers and the production of annual benefit statements.
- The Employer Services and Communications Team is responsible for facilitating the entry and exit of employers to and from the Fund. The team also acts as employer liaison, providing end to end support to employers throughout their life cycle in the Fund, including day to day assistance and training to ensure employers are aware of and able to carry out their responsibilities. The team also manages the internal and external escalation process, the triennial actuarial valuation process and managing employer risk. Scheme member and employer communications form a significant part of the team's function which ranges from the design and management of the Fund's website, presentations, workshops, newsletters and written communications.

The structure of the Pensions Service which provides administration services to both the Cambridgeshire Pension Fund and the Northamptonshire Pension Fund, as at 28 February 2023 is illustrated below in simplified form:



The current full time equivalent of staffing is 87.16. The full Pensions Service structure is at Appendix A.

### Objectives for the management of the Fund

The Fund’s agreed objectives are detailed as follows;

- 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 manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund’s stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- 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.
- To ensure regular monitoring of employer covenants, putting in place mitigations of adequate strength to protect the Fund.
- To ensure appropriate exit strategies are put in place both in the lead up to and termination of a scheme employer.
- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To maintain accurate records and ensure data is protected and used for authorised purposes only.
- To promote the scheme as a valuable benefit.
- To deliver consistent plain English communications to stakeholders.
- To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

- To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.
- To ensure cash flows in to and out of the Fund are timely and of the correct amount.
- To ensure the long-term solvency of the Fund, taking a prudent long-term view, so that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment.
- To put in place a Strategic Asset Allocation ensuring it is appropriately maintained taking into account the Funding Strategy.
- To maximise investment returns over the long term within agreed risk tolerances.
- To ensure an appropriate cash management strategy is in place so that net cash outgoings can be met as and when required.
- To invest sustainably to achieve better long-term outcomes for the Fund and its stakeholders by ensuring environmental, social and governance factors are taken account of across all investment decision making.

### Business as usual

The appendix to the business plan highlights the key priorities for the next three years and focuses on areas of change and projects which are in addition to day to day “business as usual” duties. On a day-to-day basis the focus is on the following key elements of Fund management:

- Paying pension benefits to beneficiaries as prescribed by the LGPS Regulations.
- Ensuring employers provide monthly membership data by the required deadline.
- Communicating with scheme members about their membership of the Fund.
- Ensuring all pension contributions that are paid by active members are received as prescribed by the LGPS.
- Ensuring all employers pay their pension contributions.
- Safeguarding the money in the Fund (the Fund’s assets).
- Investing any Fund assets that are in excess of those needed to pay immediate benefits.
- Working with the Fund Actuary to ensure that the amount employers pay into the Fund is sufficient to pay future pension benefits.
- Managing this on a day-to-day basis involves a wide range of processes and procedures designed around achieving the Fund’s objectives. The Fund is large, complex, and highly regulated. As such these processes and procedures require expert knowledge and experience as illustrated below.

### Governance

- Setting the agenda, reporting, and presenting to the Pension Committee, Investment Sub-Committee and Local Pension Board.
- Implementing and monitoring areas such as the training, risk management, reporting breaches of the law and compliance with the Pensions Regulator’s code of practice and changing LGPS regulations and over-riding legislation.
- Ensuring adherence to the administering authority’s policies and legal requirements for procurement, cyber security, and data protection.
- Procurement of advisers and other services.
- Assisting internal and external auditors in their role.
- Responding to freedom of information requests.
- Participation in the Joint Committee of the ACCESS pool.

## Accountancy

- Preparing and publishing the Fund's annual report.
- Completing the annual accounts and assisting with external auditors.
- Preparing the annual budget, monitoring, and reporting quarterly.
- Preparation of statutory and non-statutory returns as required.
- Conducting monthly bank reconciliations.
- Cash flow management.
- Monthly monitoring of income and expenditure including employer and scheme member contributions.
- Invoicing of employers for pensions strain and unfunded benefits.

## Funding

- Agreeing the draft funding strategy with the Fund Actuary, for Committee approval, every three years, consulting with employers and monitoring continued appropriateness annually.
- Managing the triennial valuation alongside the Fund Actuary, providing membership and cash flow data, and appropriately communicating with scheme employers.
- Monitoring the covenant of scheme employers including their ability to pay contributions and managing those who wish to join or cease membership of the scheme.
- Managing the FRS/IAS reporting cycles alongside the Fund Actuary, based on employer specifications and appropriately communicating with Scheme Employers.

## Investments

- Monitoring and reporting on the Fund's funding position.
- Carrying out a review of the investment strategy at appropriate intervals.
- Managing the Fund's assets through the asset pool arrangements or directly for non-pool aligned assets.
- Monitoring and reporting stewardship activities, and engaging with investment managers to ensure third party stewardship activities are consistent with the Committee's priorities
- Monthly monitoring and implementation of the tactical asset allocation decisions.
- Working with other LGPS Funds within ACCESS to ensure the pool meets the Fund's strategic investment requirements.

## Administration

- Providing ongoing information to scheme members and their beneficiaries as they join, leave, or change status.
- Calculating and notifying scheme members of their entitlement to pension and death benefits.
- Providing quotations of retirement benefits including any additional costs to scheme employers.
- Providing information on how scheme members can increase their pension benefits.
- Maintaining accurate scheme member records.
- Providing an online scheme member and scheme employer self-service facility.
- Administering the internal dispute resolution procedure.

## Payroll

- Calculating and paying monthly pensions to pensioners and beneficiaries.
- Issuing of payslips at appropriate times.
- Issuing P60s.
- Investigating returned payments and dealing with any under or overpayment of pensions.
- Updating and maintaining accuracy of pensioner member details.

#### Communication

- Providing annual benefit statements to all active and deferred scheme members.
- Providing all other statutory communications to members.
- Providing information to members via one-to-one sessions, workshops and newsletters.
- Maintaining the Fund's website.
- Providing new scheme employers with information about their responsibilities.
- Providing ongoing training and technical updates to employers.

#### Technical

- Maintaining and updating the pensions administration system.
- Ensuring presence, accuracy, and regular review of scheme member data in line with the expectations of the Pensions Regulator and to comply with the General Data Protection Regulations.
- Providing guidance on changes in processes following new or amending legislation.
- Monitoring and reporting on progress against key performance indicators and daily work management.
- Providing reports and extracts for GAD and other government departments.
- Reporting and making payments to HMRC.
- Processing bulk updates to member records such as new joiners and leavers, pensions increase and year-end or monthly contributions.



## Challenges and influences over the next three years

The current environment is such that there is an unprecedented volume of external factors that could impact the management of the Fund:

- Preparation and delivery of the McCloud remedy
- Implementation of Pension Dashboards.
- Other new and amending legislation impacting the Scheme, including the currently revoked £95k exit cap
- Implementation of the Scheme Advisory Board's Good Governance Review findings
- The increased oversight by the Pensions Regulator and the issuance of the new singular code of practice where compliance must be achieved within 6 months.
- The requirement to rectify member contracted out data held by the scheme with that held by HMRC.
- The increasing number of scheme members affected by the government's pensions tax regime and reducing allowances on pension savings.
- The ongoing implementation of the government's requirements to pool LGPS pension fund assets with other Funds, including the evidencing of savings.
- Maintaining the skills and knowledge of officers and Committee and Board members
- The increasing number of scheme employers due to alternative provision models within the local government universe.
- Finding innovative and digital ways of working for the benefit of the Fund, the member and the scheme employer to achieve the Fund's strategies on administration, communication and employer engagement.
- The increasing scrutiny and transparency on data quality.
- To stay ahead of the increasingly sophisticated challenges presented by cyber-crime.
- The risk of members being exposed to potential scams and the increasing requirements of the Fund to provide protection against this.
- The need to manage the climate risk within the Fund's investment portfolio as well as meet future statutory reporting requirements.

These and other priorities for the next three years are articulated in more detail in the appendix to this business plan, split into five sections:

- Procurement of services
- Core governance activities
- Scheme member and data projects
- Investment related activities.
- Communications

## Core documents of the Fund

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.

Policies and strategies are reviewed by the Pension Committee on a three-year cycle (unless stated otherwise) to ensure they remain relevant and fit of purpose. Officers review all policies and strategies on an annual basis to ensure they remain fit for purpose and apply non material amendments. If there are any material changes required for circumstances such as meeting a statutory obligation, to reflect process changes or following regulatory updates then Committee approval is required before the three-year formal review point.

All policy and strategy updates are presented to the Local Pension Board in addition to the Pension Committee in either a pre or post scrutiny capacity for best practice and enhanced governance oversight.

These documents are listed in the table below and can also be found on the [Pension Service website](#) –

Annual Report and Statement of Accounts*
Administering Authority Discretions
Administration Strategy
Admission Bodies, Scheme Employers and Bulk Transfer Policy
Annual Business Plan and Medium-Term Strategy*
Anti-Fraud and Corruption Policy
Cash Management Strategy
Cessations Policy
Climate Action Plan*
Communications Plan*
Communications Strategy
Conflicts of Interest Policy
Cyber Strategy – not published
Data Improvement Policy
Data Improvement Plan*
Funding Strategy Statement
Governance Policy and Compliance Statement
Investment Strategy Statement
Overpayment of Pension Policy
Payment of Employee and Employer Pension Contributions Policy
Reporting Breaches of the Law to the Pensions Regulator
Risk Register**
Risk Strategy
Training Strategy

\*Annual Committee review required

\*\*Biannual Committee review required

## Budget

All the costs associated with the management of the Fund are charged to the Fund and not West Northamptonshire Council. The following shows the expected income and expenditure (cash flow) of the Fund as well as the anticipated operating costs.

### Cash flow projection 2022/23 to 2023/24

The following tables provide estimates of the Fund account, investment and administration income and expenditure for the next three years.

	2022/23 Budget	2022/23 Forecast	2023/24 Budget	2024/25 Budget	2025/26 Budget
	£000	£000	£000	£000	£000
Contributions <sup>1</sup>	(120,000)	(124,000)	(117,000)	(118,000)	(122,000)
Transfers in from other pension funds <sup>2</sup>	(8,500)	(12,000)	(10,500)	(11,000)	(12,000)
<b>TOTAL INCOME</b>	<b>(128,500)</b>	<b>(136,000)</b>	<b>(127,500)</b>	<b>(129,000)</b>	<b>(134,000)</b>
Benefits payable <sup>3</sup>	108,000	108,000	118,000	122,000	127,000
Payments to and on account of leavers	8,500	11,000	10,000	11,000	12,000
<b>TOTAL PAYMENTS</b>	<b>116,500</b>	<b>119,000</b>	<b>128,000</b>	<b>133,000</b>	<b>139,000</b>
<b>Net (additions)/withdrawals from dealings with members</b>	<b>(12,000)</b>	<b>(17,000)</b>	<b>500</b>	<b>4,000</b>	<b>5,000</b>
Management expenses (invoiced)	3,645	3,820	4,078	4,163	4,445
Management expenses (non-invoiced) <sup>4</sup>	-	12,600	13,100	13,800	14,400
<b>TOTAL MANAGEMENT EXPENSES</b>	<b>3,645</b>	<b>16,420</b>	<b>17,178</b>	<b>17,963</b>	<b>18,845</b>
<b>TOTAL INCOME LESS EXPENDITURE</b>	<b>(8,355)</b>	<b>(580)</b>	<b>17,678</b>	<b>21,963</b>	<b>23,845</b>
Investment income <sup>5</sup>	(26,000)	(26,000)	(31,000)	(32,000)	(33,000)
Taxes on income.	-	-	-	-	-
(profit) and losses on disposal of investments and changes in the market value of investments <sup>6</sup>	(127,000)	232,400	(138,000)	(144,000)	(151,000)
<b>NET RETURN ON INVESTMENTS</b>	<b>(153,000)</b>	<b>206,400</b>	<b>(169,000)</b>	<b>(176,000)</b>	<b>(184,000)</b>
<b>Net (increase)/decrease in net assets available for benefits during the year</b>	<b>(161,355)</b>	<b>205,820</b>	<b>(151,322)</b>	<b>(154,037)</b>	<b>(160,155)</b>

<sup>1</sup> Contributions have been calculated using the Employer contribution rate which has decreased in 2023/24 following the 2022 Valuation and salary increase assumptions of 3.2% set by the actuary.

<sup>2</sup> Transfers in/out have been calculated using an average of 3 years (excluding group transfers).

<sup>3</sup> 2023/24 benefits payable have been calculated using average membership increases, estimated PI of 10.1% and pension increases assumptions of 2.7% set by the actuary in subsequent years. These do not match to the actuary's projections in 2023/24 as they've assumed all active members past retirement age will retire +1 year after valuation date.

<sup>4</sup> Management expenses (non-invoiced) have been added to improve financial reporting and align the expenses with the statutory accounts. The 2022/23 forecasted figure was added part way through the year hence a budget was not previously stated.

<sup>5</sup> Investment income have been calculated by applying the actuarial assumption of investment growth +4.4% per annum.

<sup>6</sup> Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.4% per annum. Return on investments in 2022/23 have been calculated using actual performance to December 2022 -7.9% plus one quarter applying the actuarial assumption of investment growth.

## Management Expenses

	<b>2022/23 Budget</b>	<b>2022/23 Forecast</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total administration expenses	2,331	2,478	2,784	2,848	2,958
Total governance expenses	834	882	814	814	964
Total investment expenses	480	460	480	501	523
<b>TOTAL MANAGEMENT EXPENSES</b>	<b>3,645</b>	<b>3,820</b>	<b>4,078</b>	<b>4,163</b>	<b>4,445</b>

## Administration Expenses

	<b>2022/23 Budget</b>	<b>2022/23 Forecast</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Staff related	1,458	1,608	1,819	1,877	1,937
Altair administration and payroll system	329	348	397	421	446
Data Assurance	45	25	21	9	9
Communications	39	31	51	22	22
Other non pay and income	15	21	29	29	29
County Council overhead recovery	445	445	467	490	515
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>2,331</b>	<b>2,478</b>	<b>2,784</b>	<b>2,848</b>	<b>2,958</b>

## Delivering the business plan

### Monitoring and reporting

To identify whether the agreed business plan is being met progress on the key priorities and budgets will be monitored by the Fund management team and reported to the Pension Committee and Local Pension Board at every meeting.

The updates will:

- Highlight any areas where the target is exceeded or where the target has not been achieved and the reasons why and identify any changes in response to the planned priorities because of this.
- Highlight any significant additional spend or underspend in relation to the agreed budget as it becomes apparent.

### Risk Management

The Northamptonshire Pension Fund has embedded risk management into the governance of the Fund. The Pension Committee has approved a Risk Strategy and a detailed Risk Register is maintained and reviewed by the Local Pension Board at every meeting. Changes to the level of risk are reported to the Pension Committee at every other meeting, or more frequently if necessary.

The table below lists the Fund's highest rated risks as of February 2023. The executive summary can be found on the Fund's website: [Northamptonshire Pension Fund Risk Register](#)

Risk	Residual risk rating
The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack.	Amber
Employers are unable to pay contribution rates.	Amber
Failure to respond to changes in economic conditions.	Amber
The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner.	Amber
As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	Amber

### Key Activities

The key activities have been split into the following sections:

- Procurement of services
- Core governance activities
- Scheme member and data projects
- Investment related activities
- Communications

Procurement of Services

Activity	Background	Key Milestones	Resources required
<p>Re-tender for benefits and governance consultancy services</p>	<p>The current supplier of benefits and governance consultancy services is Aon. The contract period is due to end on 31 July 2023 (extension previously agreed from 31 March 2023). A further extension is required to 31 March 2024.</p> <p>The Pension Committee have been asked to approve an officer recommendation to extend this contract for a further six months up to the 12 months that is allowable under the terms and conditions of the existing contract. The revision is to allow sufficient time to conduct a comprehensive review of the mortality screening and address tracing requirements of the Fund before the contract with the current supplier ceases in June 2023. Due to resourcing pressures within the team who are responsible for both it is deemed appropriate to delay this procurement as there is no extension provision option on the mortality screening and address tracing contract.</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Cambridgeshire Pension Fund.</p>	<p>Register to access national LGPS Frameworks (May 2023)</p> <p>Draft specification of services required an associated documentation (June 2023 – July 2023)</p> <p>Issue invitation to tender to suppliers on the Framework (September 2023)</p> <p>Evaluate tender responses (October 2023 - November 2023)</p> <p>Award contract (January 2024)</p>	<p>Cost of subscription to framework £2,000.</p> <p>Legal fees £500.</p> <p>No additional staffing costs.</p> <p>All costs will be included within the governance and administration budget.</p> <p>Fees are combined with the re-tender for actuarial consultancy services.</p> <p>Total subscription costs of the three lots under the framework is £3,000.</p>

Activity	Background	Key Milestones	Resources required
<p>Re-tender for actuarial consultancy services</p>	<p>The current supplier of actuarial services is Hyman Robertson. The initial contract period comes to an end on 31 March 2023 but has been extended to 31 March 2024 as agreed in 2022/23.</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Cambridgeshire Pension Fund</p>	<p>Register to access national LGPS Frameworks (May 2023)</p> <p>Draft specification of services required and associated documentation (June 2023 – July 2023)</p> <p>Issue invitation to tender to suppliers on the Framework (September 2023)</p> <p>Evaluate Tender responses (October 2023 – November 2023)</p> <p>Award Contract (January 2024)</p>	<p>Cost of subscription to framework £1,000</p> <p>Legal fees £500</p> <p>No additional staffing costs</p> <p>All costs will be included within the governance and administration budget.</p> <p>Fees are combined with the re-tender for benefits and governance consultancy services. Total subscription costs of the three lots under the framework is £3,000.</p>

Activity	Background	Key Milestones	Resources required
Re-tender for legal services provider	<p>The Fund’s current supplier of specialist pensions legal services is Squire Patton Boggs. The initial contact period is due to end on 4 February 2024.</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Cambridgeshire Pension Fund.</p>	<p>Register to access national LGPS Frameworks (July 2023)</p> <p>Draft specification of services required an associated documentation (July 2023 – August 2023)</p> <p>Issue invitation to tender to suppliers on the Framework (September 2023)</p> <p>Evaluate tender responses (October 2023 - November 2023)</p> <p>Award contract (December 2023)</p>	<p>Cost of subscription to framework – no fee.</p> <p>Legal fees £1,000.</p> <p>No additional staffing costs.</p> <p>All costs are included within the governance budget.</p>



Activity	Background	Key Milestones	Resources required
<p>Re-tender for pensions administration and pensioner payroll platform</p>	<p>The Fund’s current pensions administration and pensioner payroll solution is Heywood. The contract will end on 30 September 2024.</p> <p>A further competition exercise using the National LGPS Frameworks will be undertaken in 2023-24 to ensure an ongoing solution is selected by 30 September 2023, providing a one-year transition window (if needed).</p>	<p>Invitation to Further Competition exercise using National LGPS Frameworks (April 2023 - June 2023)</p> <p>Evaluation and award (July 2023 - September 2023)</p> <p>Year 0 transitional period (October 2023 - September 2024)</p> <p>Go Live (1 October 2024)</p>	<p>Internal and Procurement.</p> <p>The revised contract costs will form part of Administration expenses.</p>
<p>Address and mortality screening Services</p>	<p>The current contract for address tracing and mortality screening ceases in June 2023 with no ability to extend.</p> <p>Options are being considered as to the delivery of these services from June 2023 onwards.</p>	<p>Key milestones will be added when a definitive course of action has been decided on.</p>	<p>Costs already agreed within the governance budget.</p>

Core governance activities

Activity	Background	Key Milestones	Resources required
Review and implement changes required from the Pension Regulator's new Code of Practice	<p>In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The revised code of practice consolidates, updates, and amends the existing 15 codes of practice into one single consistent source of information.</p> <p>The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new code of practice is now expected to come into force early 2023. Once the code of practice is in force, the Fund will have six months to achieve full compliance with its contents.</p>	<p>Develop an action plan of changes required on launch of code of practice (TBC)</p> <p>Present action plan to the Pension Fund Committee (TBC) and Pension Board (TBC)</p> <p>Present update on progress on action plan to the Pension Fund Committee (TBC) and Pension Board (TBC)</p>	<p>No additional staffing costs.</p> <p>All costs included within the governance budget for 2022/23.</p>
Continue to review cyber resilience	<p>Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored. The cyber action plan will be updated as and when necessary.</p>	<p>Ongoing monitoring and development of the cyber strategy and action plan via the Business Plan Updates at each meeting of the Pension Committee and Pension Board.</p>	<p>No additional staffing costs.</p> <p>All costs associated with this activity have been included within the governance budget.</p>

Activity	Background	Key Milestones	Resources required
Implement the best practice recommendations of the good governance review	<p>The Scheme Advisory Board (SAB) have been working on the good governance review for several years with the current objective to identify both the issues deriving from the current scheme arrangements and the potential benefits of increasing the level of separation between the host authority and the scheme manager role to avoid potential conflicts of interest.</p> <p>Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and other for Funds to implement as best practice. The standards are due to be issued in 2023.</p>	<p>Develop an action plan to implement the best practice activities (TBC).</p> <p>Present update on progress on action plan to the Pension Fund Committee (TBC) and Pension Board (TBC)</p> <p>Implementation of activities requiring SAB and DLUHC guidance (TBC)</p>	<p>No additional staffing costs.</p> <p>All costs included within the governance budget for 2022/23.</p>
Review the administrative performance of the Fund's additional voluntary contribution providers	<p>The Fund has two additional voluntary contribution (AVC) providers, Standard Life and Prudential. In October 2019 the Pension Committee were presented with an independent review of the Fund's AVC providers. It was decided that Standard Life be closed to new and current contributing members leaving Prudential as the only remaining provider able to receive contributions.</p> <p>The closure of Standard Life was delayed following the pandemic. The administrative performance of Prudential began to deteriorate in mid-2020 and so the decision to close Standard Life was delayed. In February 2022, Prudential's performance was still significantly impaired and as such, an additional review was undertaken on the administrative performance and delivered to the Committee in October 2022. The decision was to review again in a further 12 months and to include investment performance.</p>	<p>Present to the Pension Committee the findings of the independent review alongside any recommendations for action (the timing of this will depend on the co-operation of the AVC providers in providing the necessary information for analysis by Aon (estimated October 2023).</p>	<p>No additional staffing costs.</p> <p>Estimated costs of £10,000 which are included within the governance budget.</p>

Scheme member and data projects

Activity	Background	Key Milestones	Resources required
<p>Complete the Guaranteed Minimum Pension Rectification</p>	<p>Following the end of contracting-out on 6 April 2016 it has been necessary for all pension schemes to reconcile their scheme members contracted out liability against that recorded by HMRC.</p> <p>The rectification stage of this project commenced in 2021/22. All updates required for scheme member records for those below GMP pensionable age have been completed. Scheme members with a GMP element of their pension already in payment that require amending manually. This work commenced in 2022/23 and will continue into 2023/24 and be completed by March 2024, in line with other priorities.</p> <p>Any underpayments due to an amended GMP will be rectified and arrears of pension paid. Where an overpayment of pension has occurred due to an amended GMP, the pension will be reduced to the correct level and the overpayment written off as per the Fund's Overpayment of Pension Policy.</p>	<p>Manual rectification of outstanding records (April 2023 – March 2024).</p>	<p>No additional staffing costs.</p>

Activity	Background	Key Milestones	Resources required
Application of the McCloud age discrimination remedy	<p>The McCloud age discrimination remedy will remove the age discrimination that has been judged to have arisen in public sector schemes due to the age-related transitional protections that were introduced following the introduction of the CARE arrangements (in 2014 for the LGPS).</p> <p>The pension records of scheme members within scope of the McCloud ruling will be rectified following the implementation of the age discrimination remedy, expected via amendment to legislation on 1<sup>st</sup> October 2023.</p>	<p>Respond to DLUHC consultation on draft regulations (delayed from 2022 and still pending release) (TBC).</p> <p>Devise communication plan for members and scheme employers (May 2023).</p> <p>Undertake scheme member record preparations to identify members in scope of remedy in readiness for the application of the underpin (April 2023 – September 2023).</p> <p>Application of the revised underpin following release of amended LGPS Regulations (October 2023 onwards).</p>	No additional staffing costs.
Prepare for the implementation of Pension Dashboards	<p>In the 2016 Budget, the Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together.</p> <p>*Activity to be updated following the DWP announcement to reset the Pension Dashboard Programme and the delay to connection deadlines.</p>	<p>Continue to work with the Pensions Administration Software supplier to connect to a Pensions Dashboard by the deadline of 30 September 2024 (April 2023 – September 2024).</p> <p>Undertake project plan activities to enable connection to the Dashboard including data cleansing activities. (April 2023 – September 2024).</p> <p>Connect to the Dashboard (By 30 September 2024).</p> <p>Pension Dashboard Go Live (By 1 April 2025).</p>	<p>No additional staffing costs.</p> <p>System costs for the implementation of Pension Dashboards will be included in the software re-procurement.</p>

Activity	Background	Key Milestones	Resources required
<p>Processing of undecided leaver records</p>	<p>The Fund has a number of unprocessed leaver records where a member has left a period of pensionable employment, is not entitled to immediate payment of pension benefits, but is entitled to either a refund of contributions, aggregation with another period of pensionable membership and/or a deferred pension award.</p> <p>A significant number of these records are in progress for a variety of reasons, including outstanding information or workflow. Any case which is older than 6 months since the point of notification is classed as a backlog and reported through this business plan activity.</p> <p>The intention is to reduce this backlog by 2,500 cases per year from an original April 2022 baseline of approximately 9000 cases.</p> <p>As at March 2023 there are approximately 8,300 backlog cases outstanding. The project is targeting a net reduction of 2,500 backlog cases per annum leading to a completion date of September 2025.</p>	<p>Reduce aged cases by 2,500 (April 2023 – March 2024).</p> <p>Reduce aged cases by 2,500 (April 2024 – March 2025).</p> <p>Reduce aged cases to BAU baseline (&lt;2,000) (April 2025 – September 2025)</p>	<p>No additional staffing costs.</p>

Investment related activities

Activity	Background	Key Milestones	Resources required
Continue development of the ACCESS asset pool	<p>The ACCESS asset pool Authorised Contractual Scheme (ACS) sub-fund structure is now at a mature stage with ongoing developments prioritising completing the sub-fund pipeline and putting in place supplementary sub-funds as and when required.</p> <p>Other developments within the ACCESS pool include the non-listed work programme, Operator re-procurement, and the Phase II ESG/RI procurement.</p>	<p>Development of ACS sub-fund pipeline (April 2023 – October 2024)</p> <p>Non-listed (property, infrastructure, private equity, private debt) programme development (April 2023 – December 2024)</p> <p>ESG/RI Phase II procurement and reporting developments (April 2023 – March 2024)</p> <p>Operator re-procurement (April 2023 – March 2025)</p>	All costs associated with this activity have been included within the investment and staffing budgets.
Continue activities within the Fund’s Climate Action Plan	<p>During 2021/22 the Committee approved a revised Investment Strategy Statement incorporating an expanded and strengthened Responsible Investment (RI) Policy. The Investment Sub-Committee approved the Fund’s Climate Change Action Plan in February 2022.</p> <p>It is proposed that in 2023-24, the Fund continues to focus on the milestone dates which are key to ensure we are on the correct path to achieve “net-zero” carbon emissions by 2050 at the latest.</p>	As per Climate Action Plan located in Appendix D	All costs associated with this activity have been included within the investment and staffing budgets.

<b>Activity</b>	<b>Background</b>	<b>Key Milestones</b>	<b>Resources required</b>
Implement the revised Investment Strategy	<p>A review of the investment strategy/strategic asset allocation (SAA) is being undertaken at the March Pensions Committee meeting. This will include consideration of possible changes to the allocations of property, private equity and actively managed equity assets, taking account of current market conditions and expected future environment, and our ongoing commitments to asset pooling and Climate Action Plan.</p> <p>Work will be undertaken throughout 2023-24 to action these changes.</p>	<p>Milestones to be added regarding asset classes once SAA agreed (TBC)</p> <p>Revised draft Investment Strategy to be presented to Pensions Committee (June 2023)</p>	All costs associated with this activity have been included within the investment and staffing budgets.

#### Communications

<b>Activity</b>	<b>Background</b>	<b>Key Milestones</b>	<b>Resources required</b>
Implement recommendations from the review of the website and digital communications.	<p>A review of the Fund's websites was carried out in 2022/23 with support from the digital services team at West Northamptonshire Council. The review assessed whether the website was still fit for purpose in meeting the needs of stakeholders and explored alternative options including moving the hosting of the member related information pages away from our software supplier Heywoods and hosting both member and employer pages internally on a single website.</p> <p>The review produced a number of initial recommendations from the digital team. Officers now seek approval to implement the recommendations of the digital services team, subject to feedback from stakeholders on a limited number of prototypes.</p>	<p>Funding for the website development approved March 2023.</p> <p>Resources in place eg recruitment May 2023.</p> <p>High fidelity designs created August 2023.</p> <p>New website built March 2024.</p>	<p>£30,000 for a user interface designer and web developer for 3 months.</p> <p>No additional staffing costs.</p> <p>All costs associated with this project have been included in the governance budget.</p>



Appendix 1: Full Pensions Service structure

