

Business Plan and Medium Term Strategy 2022/23 to 2024/25



West
Northamptonshire
Council



Cambridgeshire
County Council

Administered in partnership

1. Introduction

This is the business plan for the Cambridgeshire Pension Fund which is managed and administered by Cambridgeshire County Council in partnership with West Northamptonshire Council. The business plan details the priorities and areas of key focus in relation to the Cambridgeshire Pension Fund for 2022/23, 2023/24 and 2024/25. The business plan was approved at the Pension Fund Committee meeting on 24 March 2022. The business plan is monitored throughout the year and the Pension Fund Committee may be asked to agree changes to it.

The purpose of the business plan is to:

- Explain the background and objectives of Cambridgeshire County Council in respect of the management of the Cambridgeshire 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 Cambridgeshire Pension Fund during 2022/23 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 Cambridgeshire Pension Fund

The Cambridgeshire Pension Fund is a £4,303bn* Local Government Pension Fund which provides retirement and death benefits for local government employees (other than teachers) in Cambridgeshire and employees of other qualifying bodies which provide similar services.

The Fund's total membership* is approximately 99,500 of which 28,000 are active members from over 350* individual contributing employers and approximately 71,500 retired, survivor, deferred and other members.

**As at 31 December 2021*

Governance and management of the Fund

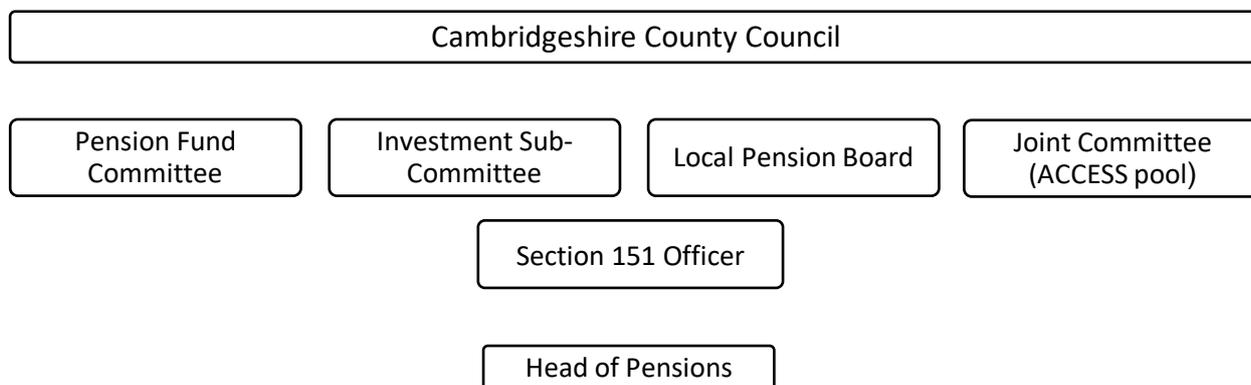
The key decision-making and management of the Fund has been delegated by Cambridgeshire County Council (the administering authority) to a formal Pension Fund Committee, supported by an Investment Sub-Committee that looks at the operational governance of investment issues.

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

Eleven authorities, including Cambridgeshire County 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

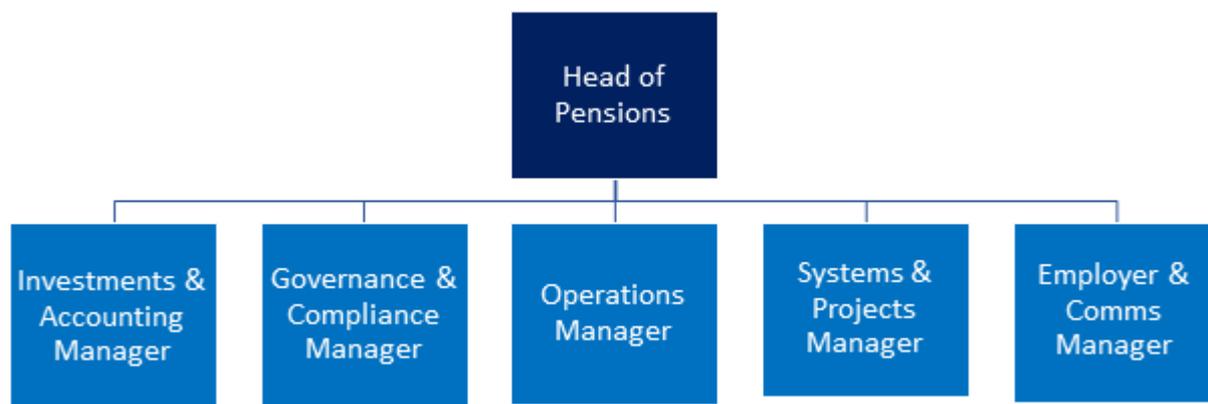
The Cambridgeshire and Northamptonshire Pension Funds are administered under a lead authority model with the lead authority being West Northamptonshire Council working in partnership with Cambridgeshire County Council. The Funds remain two distinct entities.

Management and administration of both Funds is based 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 Compliance Team is responsible for managing agendas, producing reports and delivering training to the Pension Fund 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 and 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 31 March 2022 is illustrated below in simplified form:



The current full time equivalent of staffing is 80.36. 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 Fund 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 pooling arrangements or directly for non-pool aligned assets.
- 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:

- The continued impact of the pandemic on management, investment, and administration.
- 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.
- New and amending regulations affecting the Local Government Pension Scheme including the currently revoked £95k exit cap, the remedy resulting from the McCloud high court ruling and the paused national LGPS cost control review and several regulatory changes impacting on scheme employers.
- 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.
- Maintaining the skills and knowledge of officers and Committee and Board members to comply with the requirements of MIFIDII, CIPFA's new skills and knowledge framework and

new statutory guidance stemming from the Scheme Advisory Board's Good Governance Review.

- 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.
- Evidencing savings and improved investment governance arising from asset pooling.
- 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 including those related to the Task Force on Climate-Related Financial Disclosures (TCFD).
- Implementation of Pension Dashboards.

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

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

Budget

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

Cash flow projection 2021/22 to 2024/25

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

	2021/22 Estimate	2021/22 Forecast	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£000	£000	£000	£000	£000
Contributions ¹	119,000	130,000	135,000	135,000	135,000
Transfers in from other pension funds ²	23,000	11,000	8,000	8,000	8,000
TOTAL INCOME	142,000	141,000	143,000	143,000	143,000
Benefits payable	(113,000)	(118,000)	(121,000)	(125,000)	(129,000)
Payments to and on account of leavers ²	(7,000)	(9,000)	(10,000)	(10,000)	(10,000)
TOTAL PAYMENTS	(120,000)	(127,000)	(131,000)	(135,000)	(139,000)
Net additions/(withdrawals) from dealings with members	22,000	14,000	12,000	8,000	4,000
Management expenses	(4,173)	(4,162)	(4,555)	(4,462)	(4,579)
TOTAL INCOME LESS EXPENDITURE	17,827	9,838	7,445	3,538	(579)
Investment income	34,000	30,000	30,000	31,200	32,500
Taxes on income.	-	-	-	-	-
profit and (losses) on disposal of investments and changes in the market value of investments ³	150,000	250,000	169,000	176,000	183,000
NET RETURN ON INVESTMENTS	184,000	280,000	199,000	207,200	215,500
Net increase/(decrease) in net assets available for benefits during the year	201,827	289,838	206,445	210,738	214,921

Management Expenses

	2021/22 Estimate	2021/22 Forecast	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£000	£000	£000	£000	£000
Total administration expenses	(2,539)	(2,537)	(2,674)	(2,691)	(2,766)
Total governance expenses	(720)	(701)	(900)	(750)	(750)
Total investment expenses ⁴	(914)	(924)	(981)	(1,021)	(1,063)
TOTAL MANAGEMENT EXPENSES	(4,173)	(4,162)	(4,555)	(4,462)	(4,579)

Administration Expenses

	2021/22 Estimate	2021/22 Forecast	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£000	£000	£000	£000	£000
Staff related	(1,597)	(1,583)	(1,647)	(1,680)	(1,714)
Altair administration and payroll system	(365)	(384)	(398)	(410)	(422)
Data Assurance	(49)	(49)	(45)	(15)	(15)
Communications	(24)	(18)	(41)	(16)	(16)
Other non pay and income	(15)	(14)	(16)	(17)	(18)
County Council overhead recovery	(489)	(489)	(527)	(553)	(581)
TOTAL ADMINISTRATION EXPENSES	(2,539)	(2,537)	(2,674)	(2,691)	(2,766)

1Contributions and benefits are based upon underlying trends in membership and contribution rates, pensions in payment and expected increases. Contributions subjected to change due to 2022 Valuation.

2Future estimated transfers in and out have been based upon the average of individual transfers in and out of the scheme over the period 2016/17 to 2020/21.

3Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.1% per annum.

4Investment Expenses estimates includes management fees for property funds. These will reduce once property has migrated into the asset pool, however timescales for property transitions are to be confirmed.

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 Fund 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 Cambridgeshire 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 Fund Committee at every other meeting, or more frequently if necessary.

The table below lists the Fund's highest rated risks as of February 2022. The full risk register can be found on the Fund's website: [CPF Risk Register](#)

Risk	Residual risk rating
Employers are unable to pay increased contribution rates.	Amber
Failure to respond to changes in economic conditions.	Amber
As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	Amber
Contributions to the Fund are not received on the correct dates and/or for the correct amount.	Amber
Fund assets are not sufficient to meet obligations and liabilities.	Amber

Activities to be delivered

The activities have been split into the following sections:

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

Procurement of Services

Activity	Background	Key Milestones
<p>Extend the existing contract and re-tender for actuarial consultancy services</p>	<p>The Fund’s current supplier of actuarial services is Hymans Robertson. The initial contract period is due to end on 31 March 2023.</p> <p>It has been previously agreed by the Pension Fund Committee to extend this contract by the maximum time under the terms and conditions of the contract of 12 months to 31 March 2024.</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Northamptonshire Pension Fund.</p>	<p>Extend contract (January 2023)</p> <p>Register to access national LGPS Frameworks (August 2023)</p> <p>Draft specification of services required and associated documentation (August 2023 – September 2023)</p> <p>Issue invitation to tender to suppliers on the Framework (October 2023)</p> <p>Evaluate tender responses (November 2023 – December 2023)</p> <p>Award contract (January 2024)</p>
<p>Extend the existing contract and re-tender for benefits and governance consultancy services</p>	<p>The current supplier of benefits and governance consultancy services is Aon. The initial contract period is due to end on 31 March 2023.</p> <p>The Pension Fund Committee have been asked to approve* an officer recommendation to extend this contract for a period of six months out of a possible 12 months that is allowable under the terms and conditions of the existing contract. The recommendation was made in recognition of the need to separate this re-tender from that of the actuarial services re-tender which had previously been undertaken together.</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Northamptonshire Pension Fund.</p>	<p>Extend contract (January 2023)</p> <p>Register to access national LGPS Frameworks (January 2023)</p> <p>Draft specification of services required and associated documentation (January 2023 – February 2023)</p> <p>Issue invitation to tender to suppliers on the Framework (March 2023)</p>

	<p><i>*Should approval not be given to extend the contract the dates attached to each key milestone will move back 6 months.</i></p>	<p>Evaluate tender responses (May 2023 – June 2023)</p> <p>Award contract (July 2023).</p>
<p>Extend existing contract and re-tender for legal services provider</p>	<p>The Fund’s current supplier of specialist pensions legal services is Squire Patton Boggs. The initial contract period is due to end on 4 February 2023.</p> <p>The Pension Fund Committee have been asked to approve* an officer recommendation to extend this contract for the maximum period allowable under the contract of 12 months.</p> <p>Subject to the approval* of the Pension Fund Committee, the current legal services contract will be extended to 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 Cambridges Pension Fund.</p> <p><i>*Should approval not be given to extend the contract the dates attached to each key milestone will move back 12 months.</i></p>	<p>Extend existing contract (January 2023).</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>Re-tender for pensions administration and pensioner payroll platform</p>	<p>The Fund currently uses Heywood’s Altair product as its pensions administration and payroll platform. The contract with Heywood was extended in September 2021 by a further three years to enable minimum disruption with the commencement of the Future Northants programme, the pandemic and the forthcoming work required of the age discrimination remedy (McCloud).</p> <p>The National LGPS Frameworks will be used for the re-tender which will be undertaken on a joint basis with the Northamptonshire Pension Fund.</p> <p>The procurement process will commence at least 18 months in advance of the end of the existing contract (September 2024) to ensure that there is sufficient time to complete a successful migration of data if a new supplier is procured.</p>	<p>Soft market testing and discussions with other Funds (April 2022 – December 2022)</p> <p>Obtain and complete National LGPS Framework documents. (September 2022)</p> <p>Develop tender documents (January 2023 to March 2023)</p> <p>Undertake framework procurement (April 2023 – September 2023)</p> <p>Award contract to successful provider (October 2023)</p> <p>Business process re-engineering and systems development (if new supplier) (October 2023 to September 2024)</p> <p>Contract commences (October 2024)</p>
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Core governance activities

Activity	Background	Key Milestones
<p>Continue to develop the Fund’s Cyber Strategy</p>	<p>During 2021/22 the Fund embarked on a programme of work to assess the extent of cyber risk that the Fund’s assets and data could potentially be exposed to. Several activities were undertaken such as the development of a cyber strategy and action plan to understand and mitigate where possible the Fund’s exposure to cyber risk. Cyber-crime will continue to evolve and become increasingly sophisticated and as such the cyber strategy and action</p>	<p>Ongoing monitoring and development of the cyber strategy and action plan evidenced by a separate agenda item at each meeting of the Pension Fund Committee and Local Pension Board (2022/23).</p>

	plan will need to be regularly reviewed and new activities added as time goes on.	
Review and implement changes required from the Pension Regulator's new Code of Practice	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. 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 summer 2022. Once the code of practice is in force, the Fund will have six months to achieve full compliance with its contents.	<p>Develop an action plan of changes required on launch of code of practice (Summer 2022).</p> <p>Present action plan (Pension Fund Committee - October 2022 and Local Pension Board – November 2022)</p> <p>Present update on progress on action plan (Local Pension Board – February 2023 and Pension Fund Committee – March 2023).</p>
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 (Department for Levelling Up Housing and Communities) to amend scheme regulations and publish statutory guidance, others by SAB and other for Funds to implement as best practice. There has recently been no further progress on any of the recommendations either by DLUHC or SAB. However, there are some best practice activities stemming from the recommendations that LGPS Funds can be preparing for in readiness.</p>	<p>Develop an action plan to implement the best practice activities (May 2022).</p> <p>Present action plan and Conflicts of Interest Policy (Pension Fund Committee - June 2022 and Local Pension Board – July 2022)</p> <p>Present update on progress on action plan (Local Pension Board – February 2023 and Pension Committee – March 2023).</p> <p>Implementation of activities requiring SAB and DLUHC guidance (dates to be confirmed upon receipt of further information)</p>

Scheme member and data projects

Activity	Background	Key Milestones
<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. The reconciliation stage completed in 2019/20.</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 will be completed manually.</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 2022 –March 2023)</p>
<p>Application of the McCloud age discrimination remedy</p>	<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.</p> <p>Scheme employers are reviewing the data held by the Fund and advising of any amendments. Once all data has been returned it will be submitted to Heywood and uploaded to scheme member records.</p>	<p>Data sheets returned from scheme employers (February 2022 – April 2022)</p> <p>Data sheets checked by Fund (May 2022 – July 2022)</p> <p>Uploading of revised scheme member data (August 2022 – March 2023)</p> <p>Send communications to members (upon release of amended LGPS Regulations – expected to be Summer 2022)</p>

	Where non active member records are updated, benefits awarded and in payment will be reviewed in line with the remedy and national guidance.	Application of the revised underpin following release of amended LGPS Regulations (October 2023 onwards)
Processing of undecided leaver records	<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 for the next 3 years from a baseline of approximately 9,500 cases.</p>	<p>Re-baseline project (April 2022)</p> <p>Reduce cases by 2,500 (April 2022 – March 2023)</p> <p>Reduce cases by a further 2,500 (April 2023 – March 2024)</p> <p>Reduce cases by a further 2,500 to a business as usual baseline (April 2024 – March 2025).</p>
Complete the 2022 Valuation of the Pension Fund	Work with the Fund’s actuarial advisors to complete the 2022 valuation of the Pension Fund. The valuation date is 31 March 2022 but the work is carried out during 2022/23 with results to be published by 31 March 2023 and new employer contribution rates effective from 1 April 2023.	<p>Provision, validation and sign-off of valuation data (July 2022 – August 2022)</p> <p>Provision of whole Fund results by Fund Actuary (September 2022)</p> <p>Discuss whole Fund results with Committee (October 2022)</p> <p>Committee to approve Funding Strategy Statement for consultation (October 2022)</p> <p>Funding Strategy Statement issued for consultation (November 2022)</p>

		<p>Issue draft employer results and contribution strategies to scheme employers (November 2022 to December 2022)</p> <p>Committee to approve final Funding Strategy Statement (December 2022)</p> <p>Consultation and discussions with employers to agree contribution strategies (December 2022 – February 2023)</p> <p>Publication of final valuation report and certified contribution rates (31 March 2023)</p>
<p>Prepare for the implementation of Pension Dashboards</p>	<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. The Department of Work and Pensions (DWP) consultation on the draft Pensions Dashboards Regulations released in January 2022 proposes a staging deadline on the end of April 2024 for LGPS Funds to go live on the Dashboards. However, this date is likely to be challenged to allow sufficient time for LGPS Funds to complete the recalculation of benefits for scheme members in scope of the McCloud remedy.</p>	<p>Work with supplier to implement pension dashboards by required deadline* (Estimated between April 2022 – March 2024)</p> <p>Implementation of pension dashboards* (DWP consultation currently proposes end of April 2024)</p> <p>Data quality will be addressed separately through ongoing data cleansing activities.</p> <p><i>*Dates to be updated once further information from the government is received.</i></p>

Investment related activities

Activity	Background	Key Milestones
Continue development of the ACCESS asset pool	<p>The ACCESS asset pool has implemented sub-funds in which the Fund has invested 100% of its active listed equities. The Fund has submitted a request for a sub-fund for its Multi Asset Credit which when launched will result in 100% of listed Fixed Income assets being pooled (excluding Index-linked gilts ring-fenced as collateral for derivatives).</p> <p>The ACCESS pool has recently appointed MJ Hudson as Implementation Adviser for Illiquid Assets. During 2022/23 MJ Hudson will be implementing pooled solutions for investing in Illiquid assets. Due to the illiquid nature of this asset class, migration of the Fund’s assets may take a number of years.</p>	<p>Transition into the new Multi Asset Credit sub fund (By 31 March 2023).</p> <p>Produce plan for investing in illiquid assets in the pooled solution (By 31 March 2023).</p>
Decarbonisation and improved stewardship reporting	<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 which has been published on the Fund’s website.</p> <p>It is proposed that over the next twelve months, in conjunction with the existing work to draft the Fund’s first report that meets the requirements of the Task Force on Carbon-Related Financial Disclosures (TCFD), the Fund produces a credible plan with milestone dates, for the Fund’s investments to achieve “net-zero” carbon emissions.</p> <p>The Fund will also prepare its first submission under the UK Stewardship Code.</p>	<p>Implement agreed plan to decarbonise the Fund’s listed equities (throughout 2022/23 and beyond).</p> <p>Draft TCFD report presented to the Investment Sub Committee (September 2022).</p> <p>Draft Stewardship Code submission presented to the Investment Sub Committee (March 2023)</p>
Review the Fund’s Property Investment Strategy	<p>The Fund’s multi manager property mandate managed by Schroders has been in place for many years and recently enhanced by opportunistic direct investments in Private Rented Sector and Shared Ownership property funds managed by M&G.</p>	<p>Report on strategy review presented to Investment Sub Committee (September 2022).</p>

	A review of the mandate will be undertaken, including consideration of possible enhancements to the property strategy, especially considering the expected benefits arising from the pooling agenda	The output of the review will be communicated to ACCESS to inform the Fund’s requirements for the ACCESS illiquid asset programme (December 2022).
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Communications

Activity	Background	Key Milestones
Review of website and digital communications during 2022/23	<p>The Fund maintains two websites for engagement with scheme members and employers. The current websites were developed in 2015, with the employer website hosted locally using WordPress and the member’s website hosted by the Fund’s administration software provider, Heywood, alongside the member self-service facility.</p> <p>A review of our web offering will be carried out with support from the digital services team at West Northamptonshire Council. The review will assess whether the website is still fit for purpose and alternative options available to meet the needs of the Fund’s stakeholders. This includes deciding whether to continue hosting the employer and member websites separately.</p>	<p>Initial engagement with key stakeholders and agreement of project objectives (April 2022 – June 2022)</p> <p>Review of initial engagement including mapping of user journeys and key insights (July 2022 – August 2022)</p> <p>Investigation into any identified “pain points” identified by user groups and identification of any further areas for improvement (August 2022 - September 2022)</p> <p>Stakeholder demonstration of new user journeys and prototype web pages/functions (September 2022 – October 2022)</p> <p>Presentation of key recommendations to officers (October 2022 – November 2022)</p> <p>Present outcomes and recommendations paper to Committee (March 2023)</p>

Appendix A: Full Pensions Service structure

