

# Business Plan and Medium Term Strategy

2026/27 to 2028/29

## Introduction

This is the business plan for the Northamptonshire Pension Fund (“the 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 Fund for 2026/27, 2027/28 and 2028/29. The business plan was approved at the Pension Committee meeting on 16 March 2026. 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 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 Fund during 2026/27 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 £3.7bn\* 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 manages 83,172\* scheme member records of which 24,682 relate to active members from over 334\* scheme employers and 58,490 relate to retired, survivor, deferred and other members.

*\*As at 31 March 2025*

## 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 Pension Committee, supported by an Investment Sub-Committee that manages the operational governance of investments.

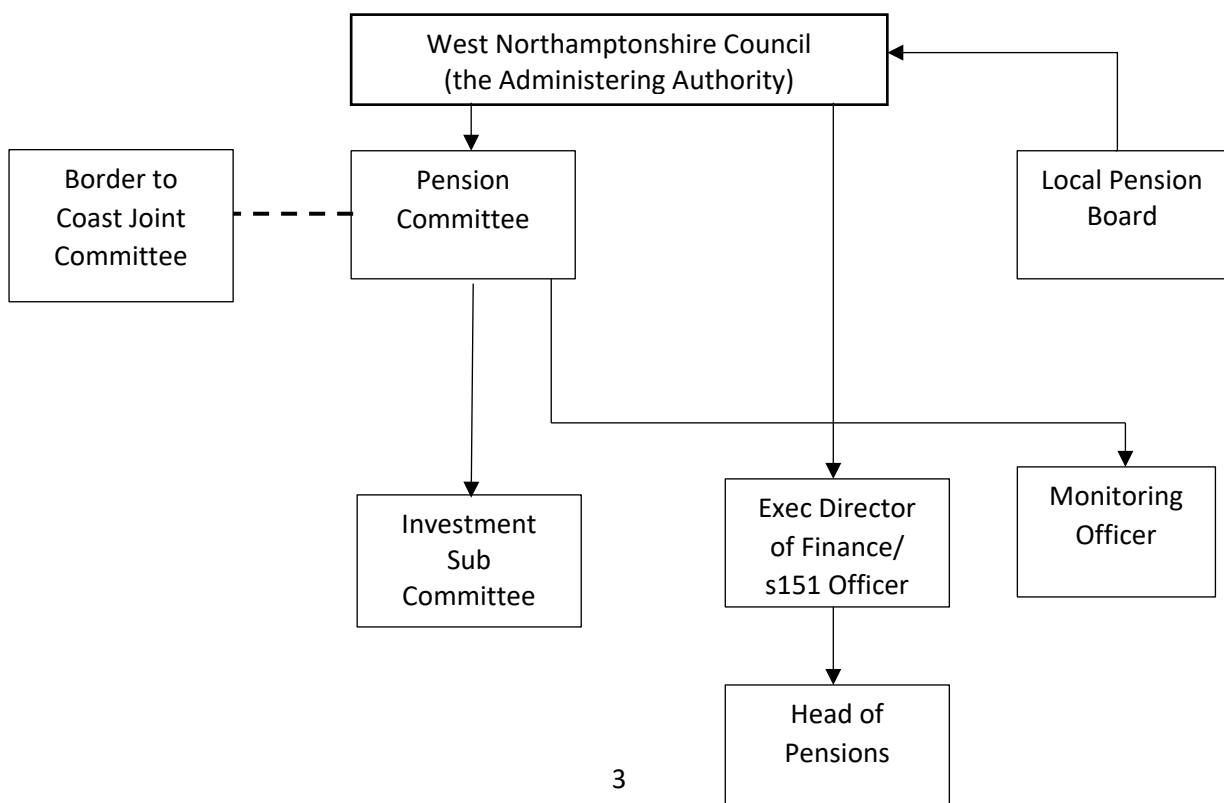
West Northamptonshire Council's Section 151 Officer has a statutory responsibility for the proper financial affairs of the Council including Fund matters.

During the 2026-27 scheme year, it is expected that the Fund will appoint a Senior LGPS Officer who will assume delegated responsibility for the management, administration and governance of the Fund.

West Northamptonshire Council is a shareholder in the Border to Coast Pension Partnership. A Board has been formed to oversee the governance of the pool. Shareholders have nominated two non-executive directors to the Board, which provide oversight to officers via the Senior Officers Group.

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 Northamptonshire Pension Fund governance structure is shown below.



## Administration of the Fund

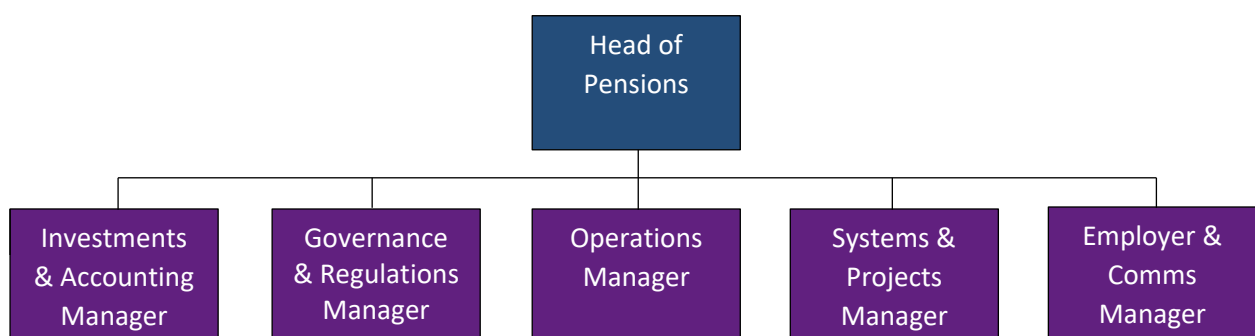
The Cambridgeshire and Northamptonshire Pension Funds are administered under a lead authority shared service model with the lead authority being West Northamptonshire Council working in partnership with Cambridgeshire County Council. The Funds remain two distinct entities.

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 management, governance and 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. The team takes the lead in the development of the Fund's strategic policies and monitors regulatory compliance. The team specialises in information governance and pension taxation.
- The Investments and Fund Accounting Team provides governance over the Fund's investments. The team provides the financial control function to the Fund, managing and accounting for the receipt of contributions, 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, death and survivor benefits, transfers in and out, refunds and member record maintenance.
- The Systems & Projects Team is responsible for a wide range of projects including data quality improvements, the McCloud remedy, pension dashboards and targeted areas of casework. The team is also responsible for maintaining and developing the pension administration, payroll, and member self-service systems, processing of deferred benefits, reconciling membership data received from employers, and the production of annual benefit statements.
- The Employer Services and Communications Team manages the entry and exit of employers to and from the Fund. The team acts as employer liaison, providing support to employers throughout their life cycle in the Fund, including ensuring employers are aware of and able to carry out their responsibilities. The team also manages the triennial actuarial valuation process and employer risk. Communications form a significant part of the team's function, including 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 2026 is illustrated below in simplified form:



The full Pensions Service structure is at Appendix A. Approximately 49.68 full-time equivalent (fte) staff undertake Northamptonshire Fund administration.

## **Objectives for the management of the Fund**

The Fund's agreed objectives are detailed as follows;

### **Governance**

- To ensure compliance with the LGPS Regulations, other legislation and regard to guidance, including the Pensions Regulator's Code of Practice.
- To ensure individuals responsible for managing the Fund and delivering its services have the appropriate knowledge and expertise.
- To manage the Fund in a fair and equitable manner, and be accountable to the Fund's stakeholders.
- To ensure robust processes, controls and risk management are in place.
- To continually measure and monitor success against the Fund's objectives.

### **Funding**

- To ensure the long-term solvency of the Fund, so that sufficient funds are available to meet benefit payments as they fall due.
- To ensure an appropriate cash management strategy is in place and cash flows are timely and of the correct amount.
- To prudently set employer contributions that are as stable as possible whilst recognising the characteristics, circumstances and affordability constraints of each employer.
- To manage employer liabilities effectively, taking account of employer covenant, putting in place mitigations of adequate strength to protect the Fund.

### **Investment**

- To maximise investment returns over the long term within agreed risk tolerances.
- To invest sustainably to achieve better long-term outcomes for the Fund and its stakeholders.

### **Administration**

- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional, effective and cost-efficient manner, utilising technological solutions and collaboration.
- To maintain accurate records and ensure data is protected and used for authorised purposes only.
- To ensure benefit payments and other cashflows are timely and of the correct amount.

### **Communication**

- To promote the scheme and ensure members understand the benefits provided.
- To deliver clear, inclusive, accessible communications to stakeholders, including up-to-date information in order that informed decisions can be made.
- To seek regular feedback from stakeholders and use that feedback to help shape Fund administration.

## 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 accurate 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 in Appendix B.

## 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:

- Changes arising from the Government’s Access and Fairness, Scheme Improvements and Fit for the Future consultations, including to asset pooling and fund governance.
- Oversight by the Pensions Regulator for ongoing compliance against the General Code of Practice.
- Going live with Pension Dashboards.
- Continuing to implement the remedy resulting from the McCloud high court ruling.
- Maintaining the skills and knowledge of officers and Committee and Board members to comply with the requirements of MIFIDII, CIPFA’s skills and knowledge framework, TPR’s General Code of Practice and best practice and guidance stemming from the Scheme Advisory Board’s Good Governance Review.
- The number and diversity 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 including those related to the Task Force on Climate-Related Financial Disclosures (TCFD).

These and other priorities for the next three years are articulated in more detail in the activities section below, split into five sections:

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

## 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 2026/27 to 2028/29

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

|   | 2025/26<br>Estimate | 2025/26<br>Forecast | 2026/27<br>Estimate | 2027/28<br>Estimate | 2028/29<br>Estimate |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | £000                | £000                | £000                | £000                | £000                |
| Contributions <sup>1</sup>                                    | (153,000)           | (157,800)           | (136,900)           | (142,000)           | (147,000)           |
| Transfers in from other pension funds <sup>2</sup>            | (13,000)            | (16,000)            | (14,700)            | (15,800)            | (16,100)            |
| <b>TOTAL INCOME</b>   | <b>(166,000)</b>    | <b>(173,800)</b>    | <b>(151,600)</b>    | <b>(157,800)</b>    | <b>(163,100)</b>    |
| Benefits payable <sup>3</sup>                                 | 136,000             | 136,000             | 144,700             | 150,000             | 156,000             |
| Payments to and on account of leavers <sup>2</sup>            | 14,000              | 23,100              | 17,500              | 17,900              | 18,400              |
| <b>TOTAL PAYMENTS</b>   | <b>150,000</b>      | <b>159,100</b>      | <b>162,200</b>      | <b>167,900</b>      | <b>174,400</b>      |
| <b>Net (additions)/withdrawals from dealings with members</b> | <b>(16,000)</b>     | <b>(14,700)</b>     | <b>10,600</b>       | <b>10,100</b>       | <b>11,300</b>       |
| Management expenses (Invoiced)                                | 5,530               | 6,054               | 6,658               | 6,771               | 7,066               |
| <b>TOTAL MANAGEMENT EXPENSES<sup>4</sup></b>                  | <b>5,530</b>        | <b>6,054</b>        | <b>6,658</b>        | <b>6,771</b>        | <b>7,066</b>        |
| <b>TOTAL INCOME LESS EXPENDITURE</b>                          | <b>(10,470)</b>     | <b>(8,646)</b>      | <b>17,258</b>       | <b>16,871</b>       | <b>18,366</b>       |
| Investment income <sup>5</sup>                                | (53,000)            | (61,980)            | (65,000)            | (69,000)            | (73,000)            |
| Taxes on income   |                     | 61                  | -                   | -                   | -                   |
| <b>NET CASH (inflow) ON INVESTMENT<sup>6</sup></b>            | <b>(53,000)</b>     | <b>(61,919)</b>     | <b>(65,000)</b>     | <b>(69,000)</b>     | <b>(73,000)</b>     |
| <b>CLOSING CASH BALANCE (inflow)/outflow</b>                  | <b>(63,470)</b>     | <b>(70,565)</b>     | <b>(47,742)</b>     | <b>(52,129)</b>     | <b>(54,634)</b>     |

## Management Expenses

|  | 2025/26<br>Estimate | 2025/26<br>Forecast | 2026/27<br>Estimate | 2027/28<br>Estimate | 2028/29<br>Estimate |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | £000                | £000                | £000                | £000                | £000                |
| Total administration expenses          | 3,369               | 3,449               | 3,662               | 3,616               | 3,743               |
| Total governance expenses <sup>7</sup> | 1,247               | 1,681               | 2,040               | 1,880               | 1,973               |
| Total investment expenses              | 914                 | 924                 | 956                 | 1,013               | 1,074               |
| <b>TOTAL MANAGEMENT EXPENSES</b>       | <b>5,530</b>        | <b>6,054</b>        | <b>6,658</b>        | <b>6,509</b>        | <b>6,790</b>        |

## Administration Expenses

|   | 2025/26<br>Estimate | 2025/26<br>Forecast | 2026/27<br>Estimate | 2027/28<br>Estimate | 2028/29<br>Estimate |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | £000                | £000                | £000                | £000                | £000                |
| Staff related                                 | 2,428               | 2,305               | 2,518               | 2,589               | 2,661               |
| Altair administration and payroll system      | 400                 | 423                 | 425                 | 441                 | 458                 |
| Data Assurance <sup>8</sup>                   | 15                  | 63                  | 157                 | 16                  | 17                  |
| Communications                                | 34                  | 31                  | 70                  | 45                  | 47                  |
| Other non-pay and income                      | (90)                | (57)                | (78)                | (73)                | (69)                |
| County Council overhead recovery <sup>9</sup> | 582                 | 684                 | 570                 | 599                 | 628                 |
| <b>TOTAL ADMINISTRATION EXPENSES</b>          | <b>3,369</b>        | <b>3,449</b>        | <b>3,662</b>        | <b>3,616</b>        | <b>3,743</b>        |

- <sup>1</sup> Contributions have been calculated using the Employer contribution rate and salary increase assumptions of 2.8% set by the actuary at the 2025 Valuation. Contributions in 2026/27 are the new contribution rates set at 2025 valuation; primary and secondary contribution rates have reduced for employers due to surplus funding positions.
- <sup>2</sup> Transfers in/out have been calculated using an average of 3 years (excluding group transfers).
- <sup>3</sup> 2026/27 benefits payable have been calculated using average membership increases and estimated PI of 3.8%. For the subsequent years, the average membership increases and the pension increases assumptions of 2.3% set by the actuary at 2025 Valuation are used.
- <sup>4</sup> Non-invoiced investment management expenses has been removed from the cashflow table, as it does not have any impacts on cashflow.
- <sup>5</sup> Investment income have been calculated based on the 2025/26 forecast by applying the actuarial assumption of investment growth +6% per annum.
- <sup>6</sup> Profit and loss on disposal of investments and changes in the market value of investments has been removed from the cashflow table, as it does not have any impacts on cashflow.
- <sup>7</sup> Fund's contributions (£250k) to the BCPP project costs following Fit for the Future regulations. It is a one-off cost, and it has been excluded in the subsequent years.
- <sup>8</sup> 2026/27 Data Assurance expenses include project costs to reduce the number undecided leavers records.
- <sup>9</sup> County Council overheads have been reviewed and will be lower going forward. This review process identified a cost of ~£100k for Data Protection Provision. This cost was not included in the 2025/26 budgeted overheads and will form part of the budget for subsequent years.

## Delivering the business plan

### Monitoring and reporting

Progress against the business plan activities and budget will be regularly monitored and reported to the Pensions Committee and Pension Board at every meeting.

### Risk Management

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

The table below lists the Fund's highest rated risks as of March 2026 and the public facing risk register can be found on the Fund's website:

| <b>Risk</b>   | <b>Residual risk rating</b> |
|---|-----------------------------|
| Geopolitical risks may adversely affect global markets in which the Pension Fund invests.   | Amber                       |
| The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack.   | Amber                       |
| Failure to respond to changes in economic conditions.   | Amber                       |
| The Pension Fund and its members may become a target for fraudsters and criminals.  | Amber                       |
| Pension Fund systems and data may not be secure and appropriately maintained, whether in situ or in transit.  | Amber                       |
| The Border to Coast pool does not have the investment options available to enable the pool to implement the Fund's investment strategy in a timely manner.  | Amber                       |
| The Border to Coast pool is unable to meet the Fit for the Future requirements (pool management, advisory services, investment implementation services, and local investment capability) in the required timescale.         | Amber                       |
| Border to Coast being responsible for both advisory and investment management functions may lead to conflicts of interest and sub-optimal outcomes for the Fund   | Amber                       |
| The Fund may not be able to recruit an Independent Person as a non-voting member of the Pensions Committee in the required timescale.   | Amber                       |
| The volume of scheme changes being introduced through new regulations and guidance over a compressed timescale puts at risk the administering authority's ability to manage and administer the Fund in an effective manner. | Amber                       |

## 2026/27 Business Plan activities

### Procurement of Services

| Activity  | Background   | Key Milestones   |
|---|--|--|
| Procure Investment Consultancy Services through the pool. | <p>The Fund’s Contract with Mercer expires 30 September 2026. The Fund has the option to extend the contract for a further year to 30 September 2027.</p> <p>BCPP is enhancing its advisory and oversight arrangements as part of the pooling evolution.</p> <p>The solution is scheduled to commence in July 2026 and be fully operational by 2027.</p> | <p>Review Fund’s advisory arrangements (September 2026).</p> <p>Consider arrangements that complement the principal advice (December 2026).</p> <p>Implement any required changes or appointments (June 2027).</p> |
| Consider an extension for Global Custody Services.        | Implement contract extension or undertake procurement as applicable.   | <p>Review supplier performance, ensuring appropriate oversight of the decision (April – June 2026).</p> <p>Implement extension for up to 5 years to July 2031 or initiate a procurement exercise (July 2026).</p>  |
| Consider procurement for Legal Services.                  | The Funds contract with Squire Patton and Boggs expires February 2028.   | <p>Register to access national LGPS Frameworks (December 2026).</p> <p>Consider framework offerings (March 2027).</p>  |

Core governance activities

| Activity  | Background  | Key Milestones  |
|---|---|---|
| <p>Appoint a Senior LGPS Officer (by 1 October 2026).</p>                   | <p>The Scheme Advisory Board (SAB) published their final findings of the good governance review in 2021 and there were several recommendations proposed as a result.</p> <p>The UK government has largely accepted the SAB’s recommendations and incorporated them into the “Fit for the Future” consultation, which was launched late 2024.</p> <p>The Pension Schemes Bill 2025 provides the legislative framework for the reforms but the industry is awaiting statutory guidance in order to implement the changes.</p> | <p>Identify requirements from the guidance and decide on appropriate remuneration for the role (April 2026).</p> <p>Seek approval for the Senior LGPS role to be incorporated into the West Northamptonshire Constitution at the Democracy and Standards Committee. (May 2026).</p> <p>Decision to be ratified at Full Council (June 2026).</p> <p>Appointment to be made by the Head of Paid Service (chief executive of WNC) (by September 2026).</p> |
| <p>Undertake an Independent Governance Review (IGR) (by 31 March 2028).</p> |   | <p>Identify relevant review date (April 2026).</p> <p>Establish providers that can undertake the review and establish whether a framework is a viable route (TBC).</p> <p>Procure provider to undertake the review (TBC).</p> <p>Initiate review scope and expectations (TBC).</p> <p>Conduct the review (TBC).</p> <p>Present findings and appropriate action plan to the Pension Committee and Board (TBC).</p>                                       |

| Activity  | Background   | Key Milestones  |
|---|--|---|
| <p>Appoint an independent person to the Pension Committee (by 1 October 2026).</p>                  |  | <p>Understand whether the role needs to be incorporated into the West Northamptonshire Council Constitution (April/May 2026).</p> <p>If applicable follow the correct democratic process to include the role in the constitution (Democracy and Standards Committee/Full Council) (TBC if applicable)</p> <p>Agree and implement approach to putting in place an Independent Person (July/August 2026)</p> <p>Appoint to the position (September 2026).</p> |
| <p>Continue to demonstrate compliance against the Pension Regulator's General Code of Practice.</p> | <p>The Fund must maintain an adequate system of governance, including:</p> <ul style="list-style-type: none"> <li>• Internal controls.</li> <li>• Risk management.</li> <li>• Decision making processes.</li> <li>• Monitoring and review mechanisms.</li> </ul> <p>During 2024/25 the Fund reviewed its compliance against the General Code of Practice and a small number of actions were undertaken to achieve full compliance.</p> <p>During 2026/27 a rolling plan will be developed to ensure maintenance of the requirements within the Code.</p> | <p>Develop a rolling plan, identifying which areas of compliance will be tested and when (April-May 2026).</p> <p>Ensure that appropriate testing is undertaken and clearly documented with any areas of non-compliance to be promptly addressed (June onwards).</p> <p>Report the findings of the testing to the Pension Committee (March 2027) and Board (April 2027).</p>  |

| Activity  | Background  | Key Milestones   |
|---|---|--|
| <p>Implement actions arising from the “LGPS: Access and Fairness” consultation.</p> | <p>The “LGPS: Access and Fairness” consultation set out proposed changes to improve equality, fair access and fairness in the Local Government Pension Scheme.</p> <p>At the time of drafting, the Government has confirmed that the consultation response has been delayed. However, it is understood that to ease administrative impact there will be a two phased approach for implementation with phase one being from 1 April 2026:</p> <p><u>Phase one</u></p> <ul style="list-style-type: none"> <li>- Survivor benefits and death grants (see member and data projects section).</li> <li>- Gender pensions gap benefits.</li> <li>- Gender pensions gap reporting.</li> <li>- McCloud remedy.</li> <li>- Abolition of LTA changes</li> <li>- Removal the 5 year refund requirement.</li> <li>- Other changes.</li> </ul> <p><u>Phase two</u></p> <ul style="list-style-type: none"> <li>- Opt-outs.</li> <li>- Forfeiture.</li> </ul> <p>The Fund will need to comply with the changes once the regulations come into force.</p> | <p>Develop an action plan to implement changes once regulations are in place (TBC – as soon as the regulations are released).</p> <p>Undertake requirements within the plan to achieve compliance (TBC).</p> |

| Activity   | Background   | Key Milestones  |
|--|--|---|
| <p>Implement actions arising from the “LGPS: Scheme improvements (access and protection)” consultation</p> | <p>The “LGPS: Scheme improvements” consultation set out proposed changes impacting:</p> <ul style="list-style-type: none"> <li>- <b>Normal Minimum Pension Age:</b> Aligning the LGPS with legislative changes to the minimum pension age.</li> <li>- <b>Fair Deal Protections:</b> Extending protections to outsourced workers to ensure they retain access to the LGPS (see below).</li> <li>- <b>Access for Mayors and Councillors:</b> Bringing England in line with Scotland, Wales, and Northern Ireland by allowing elected officials access to the LGPS</li> <li>- <b>Simplifying Direction Applications:</b> Making it easier for Multi-Academy Trusts and other bodies to apply for staff to be in the same pension fund.</li> </ul> <p>The Fund will need to comply with adopted changes once confirmed in regulations or guidance.</p> | <p>Develop an action plan to implement changes once regulations are in place (TBC).</p> <p>Undertake requirements within the plan to achieve compliance (TBC)</p> |
| <p>Implement Fair Deal Protections</p>   | <p>The original <b>Fair Deal</b> ensured pension protection for public-sector staff transferred to private contractors, allowing either continued membership of a public service pension scheme or a “broadly comparable” scheme.</p> <p>The new proposals aim to align LGPS with central government’s strengthened Fair Deal approach.</p> <p>The key areas of New Fair Deal are:</p> <ul style="list-style-type: none"> <li>• Default LGPS access.</li> <li>• Deemed employer model.</li> <li>• Protected transferee Status.</li> <li>• Contribution arrangements.</li> <li>• Transition rules.</li> </ul>   | <p>Develop an action plan to implement changes once the regulations and guidance are in place (TBC).</p>  |

| Activity                                 | Background  | Key Milestones  |
|--|---|---|
| Undertake triennial AVC provider review. | <p>The Fund currently offers Additional Voluntary Contributions (AVCs) through two providers: Standard Life and Prudential.</p> <p>As part of the 2025/26 review of the AVC framework, the proposed approach is to undertake the scheduled triennial provider review. This ensures members continue to have access to a suitable range of options that meet their needs.</p>  | <p>Undertake AVC review with each provider including member analysis and review of investment options (April 2026 – June 2026).</p> <p>Review of the LGPS investment market (April 2026 – June 2026).</p> <p>Analyse results of the review (July 2026).</p> <p>Present to the Committee and Board findings (October 2026).</p> <p>Implement any changes if applicable (November 2026 onwards) .</p> |
| Inheritance Tax Proposals.               | <p>The government has been consulting on proposals that unused pension funds and death benefits will be included within the value of the deceased member’s estate for inheritance tax purposes from 6 April 2027.</p> <p>Pension schemes will be subject to new responsibilities, including the sharing of specified information with personal representatives and beneficiaries, as well as offering beneficiaries the option of IHT being deducted from relevant scheme payments and paid to HMRC direct.</p> <p>Guidance and additional amending legislation is currently due.</p> | <p>Review LGPS specific guidance and legislation (TBC).</p> <p>Amend processes to ensure that the Fund is able to administer benefits compliantly from 6 April 2027 (TBC).</p> <p>Ensure appropriate reporting to HMRC is in place (TBC).</p>   |

Scheme member and data projects

| Activity                  | Background  | Key Milestones  |
|---------------------------|---|---|
| Rectify survivor benefits | <p>In 2020, under the Equality Act 2010 it was found that Male survivors of opposite-sex marriages/civil partnerships were treated less favourably than survivors in same-sex marriages/civil partnerships in public service pension schemes which amounted to direct discrimination on grounds of sexual orientation.</p> <p>Male survivors of opposite-sex marriages/civil partnerships must now receive benefits equivalent to same-sex survivors.</p> <p>This requires counting service back to 6 April 1978 when calculating survivor pensions.</p> <p>The regulation is currently not in force and consultation is ongoing. Activity timescales will be updated when the full requirements are known.</p> | <p>Identify affected death cases from 5 December 2005 to date (TBC).</p> <p>Contact beneficiaries back to 2005 as appropriate (TBC).</p> <p>Recalculate survivor pensions and backdate payments with interest where applicable (TBC).</p> |
| Rectify death benefits    | <p>The current regulations do not permit a death grant payment to be made if a member dies over the age of 75.</p> <p>The proposed change to the regulation is to remove the upper age limit.</p> <p>This change would be backdated to include all deaths on or after 1 April 2024, ensuring that beneficiaries of older deceased members also receive a death grant.</p>   | <p>Identify affected cases from 1 April 2014 (TBC).</p> <p>Make contact with beneficiaries/potential beneficiaries as appropriate (TBC)</p>   |

| Activity                                   | Background  | Key Milestones   |
|--|---|--|
| Go live with Pension Dashboards            | <p>Following successful connection to the Pensions Dashboard infrastructure, testing will continue until the Dashboard Available Point (DAP).</p>   | <p>Undertake project plan activities to the DAP (April 2026 – TBC).</p> <p>Continue with data cleansing activities in the data improvement plan (April 2026 onwards).</p> <p>Review results from the MaPS pension consumer testing to help inform of potential areas of concern (April 2026 - TBC).</p> <p>Test artificial data through the system to include most if not all scenarios (April 2026 – TBC).</p> <p>Develop associated workflow (April 2026 onwards).</p> <p>Consider communication approach to members in line with national guidance (April 2026 onwards).</p> <p>Update the Committee and Board with progress at each meeting (April 2026 – March 2027).</p> <p>Maintain ongoing compliance, including responding to “Find” and “View” requests within permitted timescales (DAP onwards).</p> |
| Continue McCloud rectification activities. | <p>Regulation 2(4)(b) of the Local Government Pension Scheme (Information) Regulations 2024 allows administering authorities to determine whether this regulation should be extended, in respect of a member or class of members, to annual benefit statements for the 2024/25 scheme year.</p> <p>This is further detailed in the McCloud implementation statutory guidance.</p> <p>In July 2025 the Pension Committee approved the determination which permitted an extension of the McCloud remedial work to 31 August 2026.</p> | <p>Rectify non club transfer out cases (31 August 2026 depending upon system functionality).</p> <p>Rectify club transfer out cases (31 August 2026 depending upon system functionality).</p> <p>Rectify death grant payments with no survivor (31 August 2026).</p>   |

| Activity                                      | Background   | Key Milestones  |
|---|--|---|
|   | <p>The following rectification work concluded in 2025/26 -</p> <ul style="list-style-type: none"> <li>• Cases where a member or survivor pension is in payment and the underpin date is before 1 October 2023.</li> <li>• Trivial commutations or small pot payments.</li> </ul> <p>Eligible members who do not fall within groups 1 or 2 are those who are in scope of McCloud remedy, but who remain in active membership and have not yet had their underpin date.</p>  |   |
| <p>Processing of undecided leaver records</p> | <p>The Fund has a number of 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>These cases need to be resolved to ensure that members receive timely information on the benefits that they are entitled to.</p> <p>A significant number of these records are in progress for a variety of reasons, including outstanding information required from the employer. Any case which is older than 6 months since the point of notification is classed as a backlog. The number of backlog cases is reported in each business plan update report.</p> | <p>As at the end of January 2026, the NPF backlog stands at 5,256 cases. Our strategic objective is to reduce this to below the sustainable baseline of 1,000 cases within two scheme years. To meet this objective:</p> <ul style="list-style-type: none"> <li>• 2,500 cases will be processed during the 2026/27 scheme year.</li> <li>• A further 1,756 cases will be processed during 2027/28.</li> </ul> |

| <b>Activity</b> | <b>Background</b>   | <b>Key Milestones</b> |
|-----------------|---|-----------------------|
|                 | Members with unprocessed future benefits are not able to access the Fund’s online portal and would not be able to see the value of their benefits on the Pensions Dashboard for that period of membership only until that benefit is fully processed. |                       |

Investment related activities

| Activity  | Background  | Key Milestones  |
|---|---|---|
| Support transition of assets to Border to Coast Pension Partnership (BCPP). | The Fund is preparing to transition its assets to BCPP in line with the LGPS pooling agenda. This involves close collaboration with BCPP, partner funds, and advisers to ensure a well-managed, value-for-money transition.       | Approval of transition plans by March 2027.<br><br>Full transition to BCPP (TBC).   |
| Governance of Legacy Assets (Fit for the Future Consultation)               | The “Fit for the Future” consultation outlines a process for managing assets not immediately transitioning to the pool. The Fund will need to maintain oversight and governance of these “legacy” holdings.                       | Preparatory work on systems (incl Aladdin), processes and resourcing (Pre-January 2027)<br><br>BCPP assume legacy asset management responsibilities (From January 2027)<br><br>Officer onboarding support throughout 2026/27 for transition into BCPP arrangements.   |
| Support Development of Local Investment Opportunities.                      | The "Fit for the Future" consultation supports responsible local investment opportunities through the pool structure. The Fund will work with BCPP to explore suitable investments that align with objectives and fiduciary duty. | Understand UK Opportunities, Sidecars and regional solutions opportunities within BCPP. (August 2026).<br><br>Finalisation of the Investment Strategy Statement (ISS), which will include local investment ambitions (September 2026).<br><br>Align the opportunities within BCPP with the ISS and make allocation decisions for local investment (October 2026 – March 2027).<br><br>Review incoming proposals on an ongoing basis (March 2027). |
| Advisory Framework Development.   | BCPP is enhancing its advisory and oversight arrangements as part of the pooling evolution. The Fund will ensure appropriate advice is in place through and after the transition.   | Fund officers support advisory model design (April 2026 - March 2027)<br><br>Provide Fund level objectives and beliefs (October 2026).  |

| Activity                                  | Background   | Key Milestones  |
|---|--|---|
|   |  | <p>Ad-hoc advisory in place with the current Investment Consultant to ensure smooth transition. (April 2026).</p> <p>Advisory model to be finalised (January 2027).</p>   |
| Pool and Fund Oversight Evolution         | BCPP currently offers collective oversight on performance for partner funds in the pool. They are enhancing this oversight to additionally include portfolio construction, proposition range, implementation capabilities and provide oversight at Fund level. | <p>Develop oversight capability within the Pool (2026/27)</p> <p>Assess the oversight delivered within the Pool to ensure it meets Fund requirements (by March 2027).</p> <p>Determine any additional local oversight arrangements required (2026/27)</p>   |
| 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.</p> <p>Work will be undertaken throughout 2026-27 to action these changes.</p>  | <p>Agree SAA by March 2026 and Responsible Investment Policy by September 2026.</p> <p>Share the agreed SAA with BCPP via the IMA (March 2026).</p> <p>Shareholder consultation for the Investment Strategy Statement (May 2026)</p> <p>Final approval of ISS (June 2026)</p> <p>Implement strategy changes (June 2026 onwards) .</p> |

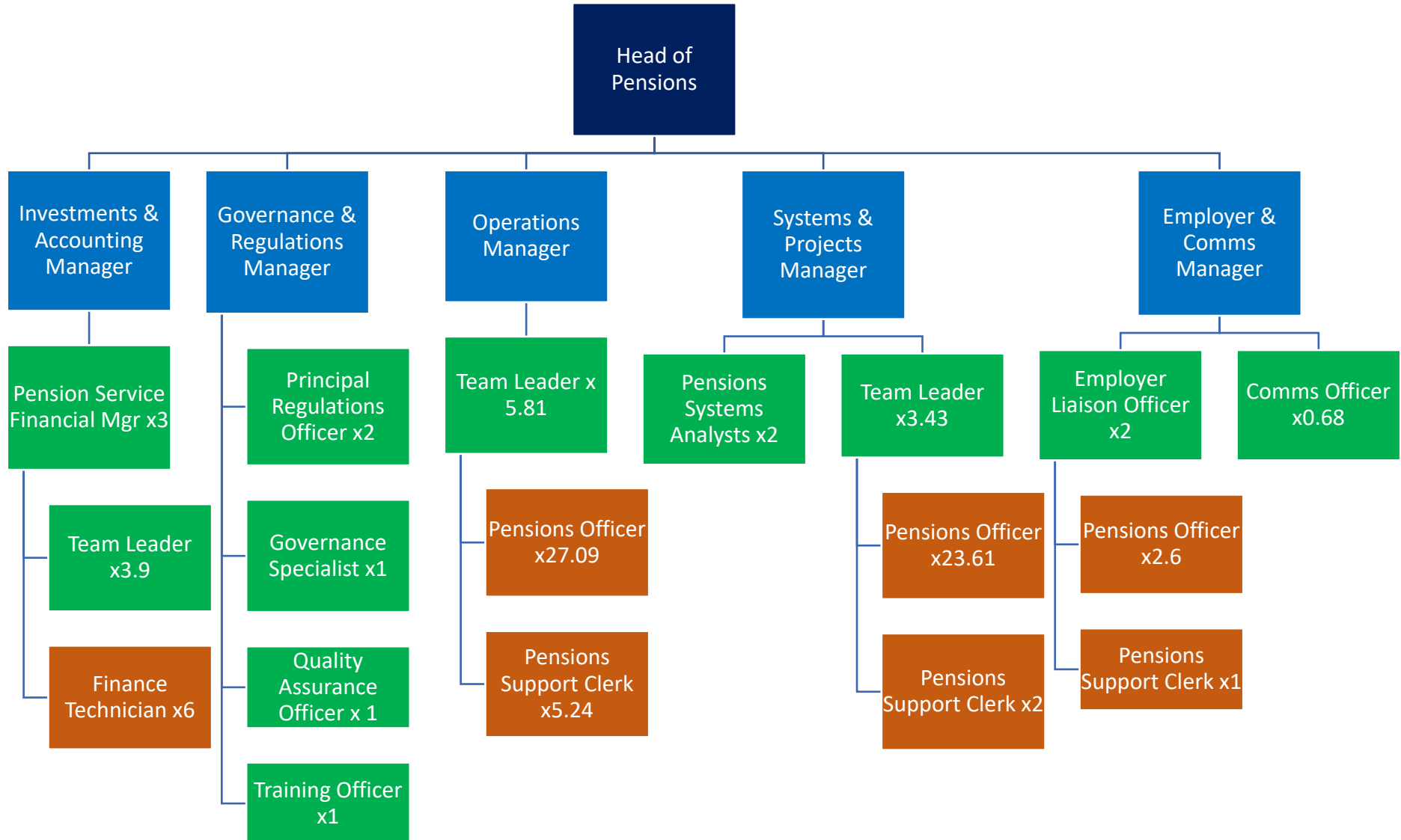
Scheme employer projects

| Activity   | Background   | Key Milestones   |
|--|--|--|
| <p>Launch of Engage (enhanced member self-service)</p>             | <p>The Fund’s software supplier Heywood have launched an enhanced version of member self-service called Engage and were due to being taken the current version offline in February 2026. The Fund has been working on the transition to Engage and will implement a soft-launch in December to managed demand for registration on the new service.</p> <p>More active promotion will be undertaken as part of key regular communications. E.g. Pensioner newsletter and ABS newsletters and through roadshows and webinars</p> | <p>Develop registration and key features videos to be published on the Fund’s website (April – May 2026). Engage communications included in active and deferred newsletters including key features and registration process (May - Aug 26).</p> <p>Member roadshows/webinars providing demonstration of engage features and functionality and helping people to register.(Sep 26).</p>                         |
| <p>Member lifestyle communications/Pension awareness campaign.</p> | <p>To help promote the LGPS and better outcomes for members, a number of short videos will be created based on lifestyle scenarios and informing members of important actions and options.</p>   | <p>Develop a series of short videos on different lifestyle situations and link to pension (April to December 2026).</p> <p>Member roadshows during national pension awareness campaign focussed on improving member engagement (September to October 2026).</p> <p>Promote Pension Dashboards as a way for members to identify, engage with and manage their pension savings (September to December 2026).</p> |

A consolidated list of activities for the period 1 April 2026 to 31 March 2029 can be located in appendix C, key activities that are due to start from 1 April 2027 are summarised below:

| Activity   | Description  |
|--|--|
| Procure Governance and Benefits Consultancy Services.        | The Governance and Benefits Consultancy contract was entered into on 1 April 2024 and is due to expire 31 March 2028. A full procurement exercise will be undertaken during 2027.                                      |
| Consider procurement for Legal Services.                     | A two year extension was enacted and the contract is due to expire on 4 February 2028. During 2027 a procurement exercise will be undertaken.  |
| Normal Minimum Pension Age.                                  | From 6 April 2028, the Normal Minimum Pension Age (NMPA) in the Uk will increase from 55 to 57. The Service will need to plan during 2027 for this change to ensure correct processes are in place.                    |
| Review the Cambridgeshire Pension Fund Governance structure. | With implementation of investment strategies and taking investment advice being delegated to the asset pool, a review will need to be undertaken to access the long term requirement for the Investment Sub Committee. |

Appendix A: Pensions Service structure (99.36 fte staff, of which approximately 49.68 undertake Northamptonshire Pension Fund administration):



Appendix B: Processes and procedures requiring expert knowledge and experience.

| Area        | Activities  |
|-------------|---|
| Investment  | <ul style="list-style-type: none"> <li>• Monitoring and reporting on the Fund’s funding position.</li> <li>• Carrying out a review of the investment strategy at appropriate intervals.</li> <li>• Managing the Fund’s assets through the asset pool arrangements or directly for non-pool aligned assets.</li> <li>• Monthly monitoring and implementation of the tactical asset allocation decisions.</li> <li>• Working with other LGPS Funds within Border to Coast Pension Partnership to ensure the pool meets the Fund’s strategic investment requirements.</li> </ul>   |
| Governance  | <ul style="list-style-type: none"> <li>• Setting the agenda, reporting, and presenting to the Pension Committee, Investment Sub-Committee and Local Pension Board.</li> <li>• Implementing and monitoring areas such as the training, risk management, reporting breaches of the law and compliance with the Pensions Regulator’s General Code of Practice and changing LGPS regulations and over-riding legislation.</li> <li>• Ensuring adherence to the administering authority’s policies and legal requirements for procurement, cyber security, and data protection.</li> <li>• Responding to consultations and the implementation of required outcomes.</li> <li>• Ensuring Fund policies and strategies are in place and appropriately maintained.</li> <li>• Procurement of advisers and other services.</li> <li>• Assisting internal and external auditors in their role.</li> <li>• Responding to freedom of information requests.</li> </ul> |
| Accountancy | <ul style="list-style-type: none"> <li>• Preparing and publishing the Fund’s annual report.</li> <li>• Completing the annual accounts and assisting external auditors.</li> <li>• Preparing the annual budget, monitoring, and reporting quarterly.</li> <li>• Preparation of statutory and non-statutory returns as required.</li> <li>• Conducting monthly bank reconciliations.</li> <li>• Cash flow management.</li> <li>• Monthly monitoring of income and expenditure including employer and scheme member contributions.</li> <li>• Invoicing of employers for pensions strain and unfunded benefits.</li> </ul>   |

| Area                      | Activities  |
|---------------------------|---|
| Funding activities        | <ul style="list-style-type: none"> <li>• Agreeing the draft funding strategy with the Fund Actuary, for Committee approval, every three years, consulting with employers and monitoring continued appropriateness annually.</li> <li>• Managing the triennial valuation alongside the Fund Actuary, providing membership and cash flow data, and appropriately communicating with scheme employers.</li> <li>• 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.</li> <li>• Managing the FRS/IAS reporting cycles alongside the Fund Actuary, based on employer specifications and appropriately communicating with Scheme Employers.</li> </ul>  |
| Payroll activities        | <ul style="list-style-type: none"> <li>• Calculating and paying monthly pensions to pensioners and beneficiaries.</li> <li>• Issuing of payslips at appropriate times.</li> <li>• Issuing P60s.</li> <li>• Investigating returned payments and dealing with any under or overpayment of pensions.</li> <li>• Updating and maintaining accuracy of pensioner member details.</li> </ul>  |
| Administration activities | <ul style="list-style-type: none"> <li>• Providing ongoing information to scheme members and their beneficiaries as they join, leave, or change status.</li> <li>• Calculating and notifying scheme members of their entitlement to pension and death benefits.</li> <li>• Providing quotations of retirement benefits including any additional costs to scheme employers.</li> <li>• Providing information on how scheme members can increase their pension benefits.</li> <li>• Maintaining accurate scheme member records.</li> <li>• Receiving monthly membership data from scheme employers, checking its validity and ensuring it is accurately uploaded to scheme member records.</li> <li>• Providing an online scheme member self-service facility.</li> <li>• Administering the internal dispute resolution procedure.</li> </ul> |

| Area          | Activities  |
|---------------|---|
| Communication | <ul style="list-style-type: none"> <li>• Providing annual benefit statements to all active and deferred scheme members.</li> <li>• Providing all other statutory communications to members.</li> <li>• Providing information to members via one-to-one sessions, workshops and newsletters.</li> <li>• Launch new Fund website.</li> <li>• Providing new scheme employers with information about their responsibilities.</li> <li>• Providing ongoing training and technical updates to employers.</li> <li>• Prepare for the next triennial valuation</li> </ul>   |
| Technical     | <ul style="list-style-type: none"> <li>• Maintaining and updating the pensions administration and pensioner payroll system.</li> <li>• 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.</li> <li>• Providing guidance on changes in processes following new or amending legislation.</li> <li>• Monitoring and reporting on progress against key performance indicators and daily work management.</li> <li>• Providing reports and extracts for GAD and other government departments.</li> <li>• Reporting and making payments to HMRC.</li> <li>• Processing bulk updates to member records such as new joiners and leavers, pensions increase, CARE revaluation and monthly pensionable pay and contribution data.</li> </ul> |

Appendix C: 1 April 2026 to 31 March 2029 consolidated list of Business Plan activities.

| Procurements  | 2026/27 |    |    |    | 2027/28 |    |    |    | 2028/29 |    |    |    |
|---|---------|----|----|----|---------|----|----|----|---------|----|----|----|
|   | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| Procure Investment Consultancy Services through the pool.         |         |    | ✓  | ✓  | ✓       | ✓  |    |    |         |    |    |    |
| Consider an extension for Global Custody Services.                | ✓       | ✓  |    |    |         |    |    |    |         |    |    |    |
| Consider procurement for Legal Services.                          |         |    |    |    | ✓       | ✓  | ✓  | ✓  |         |    |    |    |
| Consider procurement for Independent Investment advisor contract. |         |    |    |    | ✓       | ✓  | ✓  |    |         |    |    |    |
| Procure Governance and Benefits Consultancy Services              |         |    |    |    |         | ✓  | ✓  | ✓  |         |    |    |    |

| Activities  | 2026/27 |    |    |    | 2027/28 |    |    |    | 2028/29 |    |    |    |
|---|---------|----|----|----|---------|----|----|----|---------|----|----|----|
|   | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| Appoint a Senior LGPS Officer.  | ✓       | ✓  |    |    |         |    |    |    |         |    |    |    |
| Undertake an independent governance review.   | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |
| Appoint an independent person   | ✓       | ✓  |    |    |         |    |    |    |         |    |    |    |
| Continue to demonstrate compliance against the Pension Regulator’s General Code of Practice.        | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |
| Implement actions arising from the “LGPS: Access and Fairness” consultation                         | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Implement actions arising from the “LGPS: Scheme improvements (access and protection)” consultation | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Implement Fair Deal Protections   | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |

| Activities  | 2026/27 |    |    |    | 2027/28 |    |    |    | 2028/29 |    |    |    |
|---|---------|----|----|----|---------|----|----|----|---------|----|----|----|
|   | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 | Q1      | Q2 | Q3 | Q4 |
| Undertake triennial AVC provider review.                                    | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Inheritance Tax Proposals.  |         |    | ✓  | ✓  | ✓       | ✓  |    |    |         |    |    |    |
| Normal Minimum Pension Age.   |         |    |    |    | ✓       | ✓  | ✓  | ✓  | ✓       |    |    |    |
| Review the Northamptonshire Pension Fund Governance structure.              |         |    |    |    | ✓       | ✓  | ✓  | ✓  | ✓       |    |    |    |
| Rectify survivor benefits   | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Rectify death benefits  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Go live with Pension Dashboards (including ongoing reporting)               | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |
| Continue McCloud rectification activities.                                  | ✓       | ✓  |    |    |         |    |    |    |         |    |    |    |
| Processing of undecided leaver records                                      | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |
| Support transition of assets to Border to Coast Pension Partnership (BCPP). | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Governance of Legacy Assets (Fit for the Future Consultation)               |         |    |    | ✓  | ✓       |    |    |    |         |    |    |    |
| Support Development of Local Investment Opportunities.                      | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |
| Advisory Framework Development.   | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |
| Pool and Fund Oversight Evolution   | ✓       | ✓  | ✓  | ✓  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |
| Implement the revised Investment Strategy.                                  | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Launch of Engage (enhanced member self-service).                            | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |
| Member lifestyle communications/Pension awareness campaign.                 | ✓       | ✓  | ✓  | ✓  |         |    |    |    |         |    |    |    |