



2025/26 BUSINESS PLAN, BUDGET AND MEDIUM-TERM STRATEGY



Approved by Pension Fund Committee:
17 March 2025

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1. INTRODUCTION

This document is intended to outline how the Royal County of Berkshire Pension Fund will deal with its key responsibilities during the 2025-26 financial year and the over the medium-term from 2026-27 to 2028-29. The Administering Authority to the Royal County of Berkshire Pension Fund is the Royal Borough of Windsor & Maidenhead (RBWM).

The Business Plan will be used to guide and direct the Fund, provide clarity and alignment on goals and objectives and establish key initiatives for the forthcoming year. In addition, it is available to all stakeholders to better understand what the Fund is planning to do to provide an efficient service across the County of Berkshire whilst supporting the overall corporate aims of RBWM as the Administering Authority to the Pension Fund.

This Business Plan will be updated annually and presented to the Pension Fund Committee for adoption. The plan will also review the previous year's plan and detail whether the objectives therein were met.

2. STRATEGIC INTENT – MISSION STATEMENT

The Royal County of Berkshire Pension Fund aims:

To deliver an efficient pension service to all stakeholders in the Fund that:

- *Ensures that Scheme members and their beneficiaries receive the right benefits at the right time, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions.*
- *Ensures Scheme members are kept informed about their benefits and changes in regulations which will affect them.*
- *Recognises that pensions are an important part of employees' reward packages which assists employers to deliver their strategic goals.*
- *Ensures employers are kept informed about their obligations under the Scheme, and are updated for any changes in regulations which may impact them.*
- *Provides staff in the Pension Fund team with a satisfying work environment and career development path.*
- *Is cost effective, high quality, innovative and fit for purpose.*
- *Under normal market conditions, and over the long-term, has sufficient investment assets to ensure all accrued benefits are fully covered.*
- *Ensures that appropriate levels of contributions are agreed by the employers to meet the cost of future benefits accruing.*

3. BUSINESS OBJECTIVES

The Pension Fund's objectives have been drafted considering the Administering Authority's vision, objectives, guiding principles and values to ensure they are free of conflict. A suite of bespoke business aims and objectives for the Fund are presented as follows:

| Business Aim | Business Objective |
|--|---|
| <i>Stakeholder Satisfaction</i> | To deliver an effective pension service that meets the expectations of Scheme members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs. |
| <i>Value for Money</i> | <p>To set an investment strategy that achieves the medium-term investment return objective.</p> <p>Achieve value for money in all contracts.</p> <p>Manage all other direct Fund costs associated with the Fund and paying pension benefits.</p> <p>To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.</p> |
| <i>Equip Ourselves for the Future</i> | <p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are effectively performance managed and developed.</p> <p>To transform, develop and improve the Pension Team through creating an evidence-based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p> |
| <i>Delivering Together</i> | To work together with Elected Members to deliver the goals and objectives of the Pension Fund Committee, to be measured by positive feedback from Lead Members. |

4. VALUES

The pension team will adopt the following values and behaviours, which have been drafted considering the councils core underlying values; "invest in strong foundations, empowered to improve, one team and vision, and Respect and Openness":

- There will be no 'ambushing' or surprises - discuss internally first before raising in public.
- We will always be realistic when negotiating timescales and be considerate of other's priorities and time.
- Everyone's view matters and we will always give credit where it is due.
- We will always consider Scheme members and other stakeholders in everything we do.

- We will always look to do something rather than find ways not to do it and we will always look to support a reasonable request.
- We will accept being challenged and only challenge ideas not people.
- We will always lead by example.
- We will use electronic/digital forms of communication wherever possible but will always use a stakeholder's preferred method of contact where possible whether that be face-to-face, via telephone or email.
- We will always respect each other and work together to meet the Fund's objectives.
- We will promote and celebrate success.
- We will take full responsibility for our actions.

5. 2025-26 PENSION FUND BUDGET INFORMATION AND FORECAST REPORT

The 2025-26 Pension Fund budget is provided in Section 6 to this report and contains several key assumptions, detailed as follows:

- Current year forecast is prepared as at Period 8, 2024-25.
- The Budget for 2025/26 contained within the section "Net Income from Dealings with stakeholders directly involved in the Fund" is taken from a combination of:
 - reports provided by the Actuary as part of the 2022 triennial valuation.
 - known membership experience through dealings with employers.
 - estimated financial conditions such as pay increases and inflation.
 - general longevity experience trends.
- The budget for 2025-26 contained within the section "Net Income and Return on Investments" is taken from a combination of:
 - investment income forecasts as provided by the Investment Manager and in line with the Fund's Investment Strategy Statement,
 - market value changes estimated using the Actuary's best estimate nominal discount rate (or best estimate of long-term financial returns on investments),
 - management fees provided by Cost Transparency Reporting initiatives minus negotiated efficiencies over the course of the budget period.
- The Budget for 2025-26 contained within the section "Net Expenditure from Administration & Governance of the Pension Fund" is effectively the controllable budget for the Fund and has been derived using the following assumptions:

- General efficiencies are made on Third Party Expenses, through various re-procurements, contract negotiations, in-house provision of previously outsourced tasks.
- Staff related expenses assumes all vacant posts are occupied for the full year, by full time staff employed at the top of the agreed salary grading.
- Support service recharge overheads and pension deficit payments as agreed in advance with RBWM finance team.
- Inflation is applied to all budget lines as appropriate, being CPI to the third-party fees, 1.7% statutory pensions increase to the dealings with members and local pay arrangements to the staff related expenditure.

6. 2025-26 PENSION FUND BUDGET TABLE

| | 2024-25 Budget £m | 2024-25 Forecast £m | 2024-25 Variance £m | 2025-26 Budget £m |
|--|-------------------------|---------------------------|---------------------------|-------------------------|
| Contributions from Members | (31.04) | (31.35) | (0.31) | (33.00) |
| Employers Normal (Primary) Contributions | (91.72) | (110.67) | (18.95) | (95.00) |
| Employers Deficit Recovery (Secondary) Contributions | (47.93) | (32.75) | 15.18 | (51.00) |
| Employers Augmentation Contributions | (1.80) | (6.01) | (4.21) | (6.00) |
| Transfers in from other Pension Funds and AVC to purchase LGPS benefits | (11.49) | (31.94) | (20.45) | (13.00) |
| Total Income | (183.98) | (212.72) | (28.74) | (198.00) |
| Pension Benefits Payable | 129.16 | 128.60 | (0.56) | 131.00 |
| Commutation and Lump sum retirement benefits | 22.39 | 24.30 | 1.91 | 25.00 |
| Lump sum death benefits | 2.60 | 6.28 | 3.68 | 7.00 |
| Refunds to members leaving service | 0.72 | 0.56 | (0.16) | 1.00 |
| Group transfers to other pension funds | 8.80 | 0.00 | (8.80) | 0.00 |
| Individual transfers to other pension funds | 16.08 | 23.87 | 7.79 | 16.00 |
| Total Expenditure | 179.75 | 183.61 | 3.85 | 180.00 |
| Net Income from Dealings with members, employers and others directly involved in the Fund | (4.23) | (29.11) | (24.89) | (18.00) |
| Staff costs | 1.16 | 0.87 | (0.29) | 1.34 |
| Administration costs (3rd party supplies, services, premises, other) | 1.36 | 1.18 | (0.18) | 1.30 |
| Net Expenditure from Administration & Governance of the Pension Fund | 2.52 | 2.05 | (0.47) | 2.64 |
| Cost of running and administering the scheme as a % of net CLOSING ASSETS | 0.08% | 0.06% | | 0.08% |
| Investment Income net of taxation | (46.16) | (45.49) | 0.67 | (48.00) |
| Profits and losses on disposal of investments and changes in the market value of investments | (187.73) | (256.20) | (68.47) | (190.00) |
| Investment management, performance, transaction | 30.78 | 28.40 | (2.38) | 32.00 |
| Governance, Compliance, Oversight | 0.31 | 0.27 | (0.04) | 0.29 |
| Net Income and Return on Investments | (202.80) | (273.02) | (70.22) | (205.71) |
| Cost of investing and managing the Fund's investments % of net CLOSING ASSETS | 0.95% | 0.86% | | 0.95% |
| Net increase in the net assets available for benefits during the year | (204.51) | (300.08) | | (221.07) |

7. KEY INITIATIVES AND BUSINESS TARGETS 2025-26

| Business Objective | Key Initiatives and targets | Lead |
|---|---|------------------------------------|
| To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs. | Stakeholder Satisfaction | |
| | Review and update Pensions Administration Strategy. | PB / MG |
| | Review and update Communications Policy. | PB / JB |
| | Ensure that Pension Administration Software is kept up to date, and that key system enhancements are implemented to enhance efficiency. | PB / MG / RG |
| | Maintain provision of member and employer newsletters throughout the year. | JB |
| | Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate. | JB |
| Work with the Fund's Investment Pool, (LPPI), to set an investment strategy in such a way as to achieve the medium-term investment return objective with minimal loss of capital. | Continue to improve data quality in line with tPR recommendations in respect of Common and Scheme Specific data. | MG |
| | Maintain service delivery standards to meet all key performance indicators as agreed. | MG |
| | Value for Money | |
| | Complete 2025 triennial valuation to agreed timetable, including employer engagement, agreement of contribution rates and revision of Funding Strategy Statement. | JT / PB / MG / PO Actuary |
| | Begin work on revised Investment Strategy, including Strategic Asset Allocation following result of triennial valuation. | JT / PB / PO Actuary LPPI Advisers |
| Achieve value for money in all contracts | Develop and maintain a list of all contracts relating to the Pension Fund, to ensure appropriate planning for tender requirements. | JT / PO / PB |
| Manage all other direct costs in managing the fund and paying benefits. | Agree annual budget for 2025-26 and load onto Agresso system. Regular reporting to committee and board on performance against budget. | PO / JT |
| To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback. | Meet all statutory deadlines for member-related disclosures: P60s (May'25); Annual Benefit Statements (Aug'25); Pension Saving Statements (Oct'25). | MG / JY / RG |
| | Conclude McCloud Remedy implementation in time for 2024-45 ABS (August 2025) | MG |
| | Conclude connection to Dashboard infrastructure by October 2025. | RG |
| | Complete GMP Reconciliation in respect of Active and Deferred scheme members by 1 October 2025 | PB / MG |
| | Review outcomes of MHCLG consultation "LGPS: Fit for the Future", develop and deliver plan for compliance. | JT / PB |
| | Carry out annual assessment of compliance with TPR General Code and confirm delivery of agreed action plan. | JT / PB |

| Business Objective | Key Initiatives and targets | Lead |
|--|--|---|
| | <p>Unmodified external audit opinion on 2024-25 accounts (subject to previous year's disclaimed opinion).</p> <p>Publish Annual Report and Accounts by statutory deadline, 1 December 2025</p> <p>Agree review schedule for statutory and other fund policies. Deliver those agreed for review in current year.</p> | <p>PO / JT</p> <p>PO</p> <p>JT / PB</p> |
| <i>Equip Ourselves for the Future</i> | | |
| To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed with aligned objectives being set for all staff. | Improve engagement with team in operational planning matters: development of individual team plans in line with this business plan. | JT / PB / MG / PO |
| To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefit. | <p>All staff to participate in RBWM review programme, with regular 1-2-1 meetings, half-year and annual reviews.</p> <p>Individual and team learning plans to be developed to ensure continuing professional development for all team members.</p> | <p>All</p> <p>JT / PB / MG / PO</p> |
| Continue to review the Pension Team structure to ensure greater resilience and reduce risks incurred by the loss of key staff. | <p>Complete review of staffing structure, including workforce profile to ensure robust succession planning.</p> <p>Review and update Business Continuity Plan and Disaster Recovery Plan.</p> <p>Update and maintain key process notes.</p> | <p>JT / PB / MG / PO</p> <p>JT / PB / MG / PO</p> <p>MG</p> |
| <i>Delivering Together</i> | | |
| To work together with Elected Members to deliver the goals and objectives of the Pension Fund Committee, to be measured by positive feedback and external review if applicable. | <p>Review format of committee and board meeting agendas to ensure key projects and decisions are scheduled appropriately.</p> <p>Carry out knowledge and understanding assessment for Board, Committee and Panel members and develop training programme to address identified gaps.</p> <p>Review and update the fund's responsible investment policy.</p> <p>Review and update fund objectives, values and beliefs in advance of next year's business plan.</p> | <p>JT / PB</p> <p>JT Advisers</p> <p>JT Advisers</p> <p>JT Advisers</p> |

9. REVIEW OF 2024-25 KEY INITIATIVES AND TARGETS

In 2024-25 we said that we would:

| Business Objective | Key Initiatives and targets | Status |
|--|--|---|
| To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs. | Ensure that Pension Administration Software is kept up to date. | Ongoing |
| | To continue to work with the remaining Scheme employers yet to adopt i-Connect and to seek the most practical method of employer communication. | Ongoing |
| | Apply Annual Pension Increase Orders and HM Treasury Orders on time. | On schedule for February 2025 |
| | Annual review of the Pension Administration Strategy. | Deferred until 2025-26, to be updated for i-connect etc. |
| | Annual review of Communications Policy with the continuing aim to provide Scheme information digitally wherever possible. | Deferred until 2025-26, to be updated for i-connect etc. |
| | Keep members up to date via newsletters and Scheme employers up to date via bulletins. | Completed and ongoing. |
| | Run Pension Surgeries at least twice annually for each Unitary Authority and at least once a year for other Scheme employers upon request. | Completed and ongoing. |
| | Continue to provide training and literature for Scheme employers to assist them in administering the Scheme on behalf of their employees. | Completed and ongoing. |
| | Continue to provide presentations and literature for Scheme members to provide greater understanding of their Scheme. | Completed and ongoing. |
| | Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate. | Completed and ongoing. |
| | Ensure the continued development and best use of Member Self Service to the highest possible standard primarily in line with scheme and pension software supplier changes but also endeavouring to reduce printing and postal costs. | Completed and ongoing. |
| | Continue to improve data quality in line with tPR recommendations in respect of Common and Scheme Specific data. | Ongoing. 2024-45 data scores: Common data 99% Scheme specific data: 97% |
| | Continue work to ensure timely and accurate implementation of McCloud Remedy. | Ongoing project for ABS in August and maintaining records going forward. |
| | All annual benefits statements (Active and Deferred members) to be issued by 31 August 2024. | Completed. |

| Business Objective | Key Initiatives and targets | Status |
|--|--|---|
| | <p>Ensure that all requirements of the Pensions Dashboards Programme legislation are met as they relate to the LGPS.</p> <p>95% of critical service standards achieved (stretch 100%).</p> <p>90% of non-critical service standards to be achieved (stretch of 95%).</p> | <p>Ongoing project running up to go live date for the dashboard programme. October 2025.</p> <p>Ongoing. KPIs reported to each Board and Committee meeting.</p> <p>Ongoing. KPIs reported to each Board and Committee meeting.</p> |
| <p>To set an investment strategy in such a way as to achieve the medium-term investment return objective with minimal loss of capital, achieve value for money in all contracts and manage all other direct costs in managing the fund and paying benefits.</p> | <p>Continue to be an Investment Client of Local Pensions Partnership Investment Limited (LPPI) and ensure they implement the Investment Strategy as agreed by the Pension Fund Committee.</p> <p>Maintain quality forecasts and medium-term plans to ensure that no fire-sale of assets is required to meet benefit payments.</p> | <p>Achieved – reported to committee at each meeting.</p> <p>Achieved.</p> |
| <p>To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.</p> | <p>Produce Annual Financial Statements so they can be published by 30 November 2024.</p> <p>Complete contributions reconciliation.</p> <p>Achieve an unmodified (clean) audit opinion.</p> <p>Complete Year End procedures in advance of 31 August 2024 to enable prompt issue of annual benefit statements.</p> <p>Annual Benefit Statements (Active and Deferred members) to be issued by 31 August 2024.</p> <p>Apply Pensions Increase and HMT Revaluation Orders.</p> <p>Issue Payslips for April 2024 by 30 April 2024 and P60's by 31 May 2024 in line with statutory legislation.</p> <p>Service the Berkshire Pension Board to operate effectively.</p> <p>Ensure that all Pension Fund policies are current and regularly updated.</p> | <p>Not achieved due to delays in prior year audit conclusion. Draft Annual Report published 16 December 2024.</p> <p>Achieved.</p> <p>Not achieved, due to audit delays from RBWM.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved – review of operation in Dec24, leading to new format of meetings.</p> <p>Ongoing project.</p> |

| Business Objective | Key Initiatives and targets | Status |
|--|---|--|
| | <p>Ensure continuing compliance with the Pensions Regulator's Code of Practice number 14 and new General Code of Practice.</p> <p>Ensure continued compliance with General Data Protection Regulation (GDPR).</p> <p>Complete GMP Reconciliation in respect of Active and Deferred scheme members by 31 March 2025.</p> <p>Positive feedback from internal and external auditors that controls are better than in previous years.</p> <p>To maintain robust business continuity, disaster recovery and emergency plans for all areas.</p> <p>Reduce risk profile of the Pension Fund.</p> | <p>Ongoing – first compliance review in Sep24 identified strong compliance, other than knowledge and understanding requirements for board and committee. Achieved and ongoing.</p> <p>Not achieved due to resourcing constraints.</p> <p>To be completed before 1 October 2025</p> <p>External audit 2023-24 produced 4 “medium” and 1 “high” priority findings.</p> <p>Internal audit 2024-25 produced 2 “low” risk findings.</p> <p>Ongoing – to be updated before Jul25 board meeting</p> <p>Ongoing.</p> |
| <p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed with aligned objectives being set for all staff.</p> | <p>Monitor staff requirements to ensure a high-quality service is provided to stakeholders.</p> <p>All staff appraisals to be undertaken within required deadlines and areas for improvement identified with relevant objectives being set and monitored by managers.</p> | <p>Ongoing – full workforce plan to be developed linking to new longer-term objectives.</p> <p>Completed.</p> |
| <p>To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p> | <p>Ensure that staff receive appropriate training internally and from external providers.</p> <p>Deliver 90% of tasks within the pension teams' operational plan (stretch of 95%) – set out in the administration strategy.</p> <p>Deliver all agreed programmes and projects to time and budget.</p> | <p>Ongoing project.</p> <p>Ongoing. KPIs reported to each Board and Committee meeting.</p> <p>Ongoing - subject to resource constraints</p> |
| <p>To work together with Elected Members to deliver the goals and</p> | <p>Ensure Pension Fund Committee, Advisory Panel and Pension Board members receive appropriate training.</p> | <p>Ongoing – to be developed further in 2025-26.</p> |

| Business Objective | Key Initiatives and targets | Status |
|--|---|--|
| objectives of the Pension Fund Committee, to be measured by positive feedback and external review if applicable. | <p>Ensure that Pension Fund Committee, Advisory Panel and Pension Board members understand the Fund's strategy.</p> <p>Positive feedback from Committee Members on performance and engagement.</p> <p>Positive feedback from external review (external auditors, internal auditors, peer-review)</p> | <p>Ongoing – regular reviews and development sessions planned during 2025-26</p> <p>Ongoing.</p> <p>Ongoing.</p> |
| Continue to review the Pension Team structure to ensure greater resilience and reduce risks incurred by the loss of key staff. | To review all key areas and set out a strategy in 2023 for achieving the business aim of full resilience by 31 December 2024. | Ongoing – full workforce plan to be developed linking to new longer-term objectives. |
| To maintain Integrated Risk Management into the management of the Fund | <p>Work with our key stakeholders in identifying at risk scheme employers.</p> <p>Review risk appetite statement with LPPI and ensure training is provided on funding level and contribution risk outputs.</p> <p>Develop best in class risk-framework and ensure it is kept up to date and regularly reviewed.</p> | <p>Ongoing.</p> <p>Ongoing. Reviewed in Sep24, with further training scheduled as part of planning for triennial valuation 2025.</p> <p>Ongoing. Risk management policy reviewed and updated in Sep24.</p> |
| To work with the Fund's Investment Manager, (LPPI) to ensure the Investment Strategy is fit for purpose and implemented. | Investment aims are met and in line with the Investment Strategy Statement and Strategic Asset Allocation requirements. | Ongoing. Review and challenge by committee at each meeting. Will be updated as part of outcome of triennial valuation 2025. |

9. MEDIUM TERM PLAN 2026-2029

The following table details the medium-term plan for the Pension Fund for the period 1 April 2026 to 31 March 2029.

| Objective | Rationale | Timescale |
|---|--|-----------------------|
| Conclude review of staffing resource requirements, including capacity, capability, remuneration and resilience. | Maintain and improve service standards for scheme members and employers, and compliance with regulatory changes. | By 31 March 2027 |
| Complete long term development programme for committee and board members, to cover the "life cycle" of a committee, linked to local election timetable. | Ensure that any new members joining the pension fund committee (whether at local elections or throughout cycle) have an induction plan and programme of development. | Before May 2027 |
| Conclude project for full implementation of Pensions Dashboards Project, including resourcing for any queries | Compliance with legislative requirements. | By October 2026 |
| Respond to future Government consultations and ensure action plans are developed and implemented to ensure continued compliance with regulatory requirements. | Compliance with legislative requirements. | As and when required. |