

JOHN RAISIN FINANCIAL SERVICES LIMITED

Haringey Pension Fund

Implementation of Business Planning & Budgeting

A paper by the Independent Advisor July 2025

Introduction

The Haringey Pension Fund Governance Review of November 2024 included as Recommendation 7 that “*A comprehensive Medium Term Business Plan incorporating an Annual Plan and including a Medium Term and detailed Annual Budget is considered and approved annually by the Pensions Committee and Board and formally monitored by the Committee and Board on a quarterly basis.*”

This paper provides an outline framework and approach to implement this recommendation. The proposals in this paper aim to initiate and facilitate the process of preparing a **Haringey Pension Fund Business Plan 2026/27-2028/29** which will include a Medium Term Budget 2026/27-2028/29 together with a more detailed Annual Plan 2026/27 and detailed Budget 2026/27. The contents should not be regarded as in any sense comprehensive but rather suggestions to initiate the process.

This paper sets out the background to Recommendation 7 of the 2024 Governance Review and suggested principles to be applied in its application. These are followed by a (preliminary) outline of the Pension Fund Business Plan.

Background

The 2024 Governance Review included clear justifications for the development of a comprehensive approach to Business Planning and Budgeting. These included:

- Although the London Borough of Haringey is the Administering Authority of the Haringey LGPS Fund the Fund is clearly separate to the other functions of the Council as is clearly demonstrated, for example by The Local Authority (Functions and Responsibilities) (England) Regulations 2000 (As amended), The Local Government Pension Scheme Regulations 2013 (As amended), and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.
- The Terms of Reference of the Pensions Committee and Board, as agreed by the Full Council on 18 July 2016, specifically state at Section 7.1 “*The Committee and Board will prepare a Business Plan and Budget each year.*”

- The issue of Business Planning and Budgeting was a major issue of consideration in the Scheme Advisory Board (SAB) “Good Governance in the LGPS.” Project of 2019-2021. Both the Phase 2 (November 2019) and Phase 3 (February 2021) reports were clear that there should be sufficient resourcing of the LGPS function to provide “a good service” to both Scheme Members and Employers and that a Business Plan should drive the Fund’s Budget.
- The Phase 3 Good Governance report was robust in its narrative on this issue of Business Planning and Budgeting and included the following:
 - *“Each Administering Authority has a specific legal responsibility to administer the LGPS within their geographical region and to maintain a specific reserve for that purpose. It is important therefore that the fund’s budget is set and managed separately from the expenditure of the host authority.*
 - *Budgets for pension fund functions should be sufficient to meet all statutory requirements, the expectations of regulatory bodies and provide a good service to Scheme members and employers...*
 - *Required expenditure should be based on the fund’s business plan and deliverables for the forthcoming year. The practice should not simply be to uprate last year’s budget by an inflationary measure or specify an “available” budget and work back to what level of service that budget can deliver.”*

Since the preparation of the Haringey Pension Fund Governance Review of November 2024 both the Scheme Advisory Board and the Government have made statements which not only clearly support, justify, and effectively require a comprehensive LGPS Fund Business Planning and Budgeting approach but one which is not constrained by wider Council circumstances.

On 27 January 2025, the Chair of the Scheme Advisory Board wrote to all Pension Committee Chairs and Chief Finance Officers. This letter included statements that:

- *“The acknowledged pressures on council service delivery more generally should not influence the approach taken with regard to setting the budget for pensions administration and governance. The Board is aware that cost constraints on the administering authority are sometimes applied to the pension fund, even when the fund has a legally separate source of funding. It is vital that appropriate resources are in place to ensure service delivery by the pension fund.*

- *The Board would also encourage you to take a longer-term approach and determine your pension fund delivery requirements (both resources and budget) for the next few years; with all necessary parties agreeing a plan to ensure the fund can meet the current and future operational challenges effectively.*
- *As a highly specialist area, administering authorities also need to be mindful of the need to retain key pensions staff and knowledge when setting salary scales and staffing levels for the pension fund”*

On 29 May 2025, the Government issued “**Local Government Pension Scheme (England and Wales): Fit for the future government response.**” At Paragraph 217 it was stated “*The government’s view is that pension fund budget-setting should be seen as separate from that of the AA as a whole and should not be subject to resource restrictions which may apply across other functions. The government intends to set this out in guidance.*” This is an extremely clear and indeed definitive statement.

Principles to be applied in developing Business Planning & Budgeting

Due consideration be given to:

- Relevant Legislation, LGPS Regulations and Statutory Guidance.
- Statements made by Government in LGPS Consultation outcomes including particularly in relation to anticipated regulatory change.
- Ministerial Statements relevant to the LGPS.
- Statements made/letters issued by the Scheme Advisory Board in its role of providing advice to Administering Authorities under the Public Service Pensions Act 2013 and LGPS Regulations 2013.
- Codes or reports (relevant to the LGPS) issued by The Pensions Regulator.
- The Haringey Pension Fund Risk Register.
- Reports issued by the External Auditor to the Haringey Pension Fund.
- Internal Audit Reports issued in respect of the Haringey Pension Fund.
- Officer Business Planning and Budgeting Workshops led by the Head of Pensions (or equivalent) – these will be the primary development forums.
- Investment and Governance Working Party considerations - to enable meaningful involvement of the Pensions Committee and Board (PCB).

The Business Planning approach to be divided into three areas:

- Governance (including Training).
- Actuarial, Investment and Accounting.
- Administration and Communication.

The Budget to be based on the activities and requirements (including anticipated requirements) identified in the Business Planning process. This may mean clear divergence between years. For example, Actuarial costs should be (clearly) expected to be budgeted higher in an Actuarial Valuation year (2028-29) than in 2026-2027 and 2027-2028.

The Budget to be set, as proposed in the SAB Good Governance Phase 3 report, at such a level as *“to meet all statutory requirements, the expectations of regulatory bodies and provide a good service to Scheme members and employers.”* The Budget to be set according to identified requirements and not on an “uprate with inflation” or similar approach.

The Business Plan and Budget to be reported to and monitored by the Pensions Committee and Board on a Quarterly basis.

The Business Plan to be published on the Fund website.

A preliminary framework for the Pension Fund Business Plan

On the following two pages a potential preliminary outline framework the Haringey Pension Fund Business Plan and Budget is provided.

The actual approach taken to Business Planning and Budgeting will need to be developed by the Fund Officers in due course.

The preparation of the Business Plan 2026/27 to 2028/29 and associated Budget should commence as soon as practical. It will be a significant task to undertake the necessary Officer led work leading to consideration by the Pensions Committee and Board (ideally at a meeting of the Investment and Governance Working Party) and final approval no later than the 17 March 2026 PCB meeting.

Business Plan 2026/2027 to 2028/2029

And Pension Fund Budget

Introduction to the Pension Fund

About the Fund and what the Fund does.

The Fund Business Plan and Budget

Format and (very) brief overview.

Governance and Management of the Fund

Including: The PCB; The Officers (including structure diagram); The Fund Advisors; The London CIV (the Pool); The Risk Register; The Fund Strategies and Policies

The Next Three Years

Overview of Key risks, requirements, and challenges.

Also, reference to Business as Usual as part of Fund activity - crucially important but could be (easily) overlooked in favour of developments/major projects which would result in an incomplete Business Plan.

Three Year Business Plan

To simplify the Business Plan it could be in the form of one Three Year Plan but which incorporates more detail relating to Year 1.

Major activities listed in a Table with reference to applicability, or not, in each Quarter of Year 1 and whether to be undertaken in Year 2 and/or Year 3.

Business Plan divided into three major areas:

- Governance (including Training).
- Actuarial, Investment and Accounting
- Administration and Communication.

These major areas then divided into Areas of Work

Area of Work	2026/27				Year 2	Year 3
	Q1	Q2	Q3	Q4	2027/28	2027/28

Narrative used after the Table to provide some detail relating to planned activity with a focus on Year 1 of the Plan together with some commentary on Years 2 and 3 particularly in relation to developments/major projects. Some reference to the Risk Register could helpfully also be made.

Fund Budget

The three year period could be covered using one Table with the first year budget having been prepared after careful consideration of Business as usual, key risks, new requirements, major projects etc. Years 2 and 3 would be based on Year 1 but amended for known changes and assumed inflation.

There could be both significant upward and significant downward projected budget movements in Year 2 and Year 3. This is likely to result from a Budget driven by the activity, and extent of activity, identified in a robust Business Planning process led by the Head of Pensions (or equivalent) and involving the genuine participation of the Pensions Committee and Board.

The Budget should include the costs of all activity related to the Pension Fund whether direct (for example staff working for the Pension Fund), recharges from the Administering Authority (for example for accommodation, Committee Services staff) or external costs (for example the Administration System supplier, the Actuary, the London CIV).

All costs including recharges for services provided by the Administering Authority should be budgeted on the basis of justifiable estimates agreed or proposed (as appropriate) by the Head of Pensions and based on expected activity or use.

John Raisin

9 July 2025

John Raisin Financial Services Limited
Company Number 7049666 registered in England and Wales.
Registered Office Market House, 10 Market Walk, Saffron Walden, Essex, CB10 1JZ
VAT Registration Number 990 8211 06