

**LONDON BOROUGH OF HACKNEY**

**PENSION FUND**

**BUSINESS PLAN**

**2019-2022**

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## INTRODUCTION

The London Borough of Hackney is the Administering Authority for the London Borough of Hackney Local Government Pension Scheme (LGPS). Management of the Pension Fund is delegated to the Pensions Committee as set out in the Council's Constitution. The day to day running of the Fund has been delegated to the Group Director, Finance and Corporate Resources, the Director, Financial Management and the Financial Services section of the Council. The Financial Services section has responsibility for all aspects of the day to day running of the Fund including administration, investments and accounting.

The purpose of this document is to set out a business plan for the Pension Fund for the period 2019-2022 and to outline the Fund's goals and objectives over the longer term. The business plan is formally reviewed and agreed every year. However, throughout the year it is monitored and the Pensions Committee may be asked to agree to changes to it.

The purpose of the business plan is to:

- explain the objectives for the management of the Hackney Pension Fund
- document the priorities and improvements to be implemented by the pension service during the next three years to help achieve those objectives
- enable progress and performance to be monitored in relation to those priorities
- provide staff, partners and customers with a clear vision for the next three years.

## OBJECTIVES

The primary objectives of the Fund have been agreed by the Pensions Committee and are sub-divided into specific areas of governance, funding, investments, administration and communications:

<b>Governance Objectives</b>
1. All staff and Pension Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
2. The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
3. To understand and ensure compliance with all relevant legislation
4. To ensure the Fund aims to be at the forefront of best practice for LGPS funds

**Governance Objectives**

5. Ensures the Fund manages Conflicts of Interest

**Funding Objectives**

6. To ensure the long-term solvency of the Fund.

7. To help employers recognise and manage pension liabilities as they accrue.

8. To minimise the degree of short-term change in the level of each employer's contributions where the Administering Authority considers it reasonable to do so.

9. To use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations. (Including: To address the different characteristics of disparate employers or groups of employers to the extent that this is practical and cost effective.)

**Investment Objectives**

10. Optimise the return on investment consistent with a prudent level of risk

11. Ensure that there are sufficient assets to meet the liabilities as they fall due (i.e. focus on cash flow requirements)

12. Ensure the suitability of assets in relation to the needs of the Fund (i.e. delivering the required return).

13. Ensuring that the Fund is properly managed (and where appropriate being prepared to change).

14. Set an appropriate investment strategy for the Fund to allow the Administering Authority to seek to maximise returns and minimise the cost of benefits for an acceptable level of risk. Ensure return seeking assets are in line with funding objectives.

**Administration Objectives**

15. To deliver an efficient, quality and value for money service to its scheme employers and scheme members.

16. Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner

17. Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function

18. Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner

19. Set out clear roles and responsibilities for the Council and Equiniti and work together to provide a seamless service to Scheme employers and scheme members
20. Continuously review and improve the service provided

#### **Communications Objectives**

21. Promote the scheme as a valuable benefit and provide sufficient and up to date information so members can make informed decisions about their benefits
22. Communicate in a plain language style
23. Ensure the Fund use the most appropriate means of communication, taking into account the different needs of different stakeholders
24. Look for efficiencies in delivering communications including greater use of technology
25. Evaluate the effectiveness of communications and shape future communications appropriately

## **BUSINESS PLAN 2019-2022**

To meet the objectives of the Pension Fund, the Pensions Committee has reviewed and agreed a business plan for the period 2018-2021, which is set out in the table below:

	2019/20	2020/21	2021/22	Relevant Committee
<b>Governance Objectives</b>				
Pension Fund Report and Accounts	April - September	April - September	April - September	September
Employer Forum	November - February	November - February	November - February	N/A
Review Risk Policy			October - December	December
TPR Code of Practice – review and update	July- Sept	July- Sept	July- Sept	September
Governance policy & compliance statement Review	July - September			September
Knowledge and Skills self-assessment	October - December	October - December	October - December	December
Training Policy Review	July - September			September

	2019/20	2020/21	2021/22	Relevant Committee
Conflicts of Interest Policy Review	October - December			December
Procedure for Reporting Breaches Review		April - June		June
Pensions Board – Annual Report	July - September	July - September	July - September	September
Pensions Committee – Annual Report	July - September	July - September	July - September	September (Pensions Committee)
Review investment performance, funding, budget, risk register	Quarterly	Quarterly	Quarterly	All
AVC Review	January - March			March
Actuarial Services tender		June - September		September
Benefits and Governance Consultancy tender		June - September		September
Investment Consultancy tender		January - March		March
Custody Services tender			Due Oct 2021	
Third Party Administration Tender				Due Jan 2023
<b>Funding Objectives</b>				
Actuarial Valuation 2019	April - March			As required/March
Funding Strategy Statement	November - March			December/March
Longevity Monitoring – Club Vita	October - December	October - December	October - December	December
<b>Investment Objectives</b>				
Review Investment Strategy Statement (incl Climate Change policy statement)	January - March	As required	As required	March (minimum every 3 years)
Strategic Asset Allocation - Regular Review	Ongoing	Ongoing	Ongoing	As required

	2019/20	2020/21	2021/22	Relevant Committee
Strategic Asset/Liability Review	October - December			December
Pension Fund Treasury Management Strategy			November - January	December
Individual Manager Review	Quarterly	Quarterly	Quarterly	
Asset/Liability Monitoring	Ongoing	Ongoing	Ongoing	
Asset Pooling – ongoing review of assets	Ongoing	Ongoing	Ongoing	As required
Investment in Infrastructure analysis	October - December			December
MiFID II compliance - review	January	January	January	As required
Carbon risk analysis	July - September			September
<b>Pension Administration</b>				
Restaged auto-Enrolment	April - July			September
Pension Administration Strategy	January-March	January-March	January- March	March
Annual Pension Administration Performance Review	April - June	April - June	April - June	June
Scheme/GMP Reconciliation	Ongoing	Ongoing	Ongoing	As required
Employer data improvements	Ongoing	Ongoing	Ongoing	As required
Agree any further administration improvements with third party provider	Ongoing	Ongoing	Ongoing	
Administering Authority Discretions Review		April - June		June
Admission Bodies Policy		April - June		June
Employing Authority Discretions Review		January-March		Corporate Committee - March
Employer data audit	January - March			March

	2019/20	2020/21	2021/22	Relevant Committee
<b>Communication</b>				
Annual Benefit Statements	April - August	April - August	April - August	N/A
Communications Strategy Review		November - January		March

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## Draft Communications Strategy 2019-2022

### Objective of the Communications Strategy

The aim of this communications strategy is to ensure all stakeholders are kept informed of developments within the Pension Fund. To ensure transparency and an effective communication process will help maintain the efficient running of the Scheme. Regulations require each Administering Authority to prepare, maintain and publish a statement setting out their policy on communicating with stakeholders and organisations.

An outline communications strategy for 2019-2022 is set out below:

Type of Communication	Scheme Member	Prospective Scheme Members	Employers	Press & FOI Requests	Central Government & the Pensions Regulator
Annual Benefit Statements	July-August				
Annual Newsletter - Accounts	August - September		August - September		
Quarterly Newsletters	Quarterly		Quarterly		
Individual Member Self-Service	Available & reminder in newsletters				
Website	As required	As required	As required		
Posters	As required		As required		
Scheme Guides	As required	Upon entry to the scheme	As required		
Induction Sessions	Weekly	Weekly	As required		
Pre-Retirement Seminars	As required		As required		
Employer Forum			November - February		
Employer training workshops			As required		
Pensions Admin Strategy			January - March		
Report & Accounts	Annual Newsletter		November		October
Funding strategy Statement			September - January		
Ad-Hoc Queries	Within set timescales	Within set timescales	Within set timescales	Within set timescales	Within set timescales
Pension Board	April - March	April - March	April- March		As Required
GMP Letters - Reconciliation	January - March			As Required	As required



## **Pensions Committee – Suggested Future Agendas**

### **September 2019**

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of minutes of previous meeting
4. Training – TBC
5. Carbon Risk Audit
6. Pension Fund Report and Accounts
7. Quarterly Update
8. GMP rectification
9. Annual Report of the Pensions Committee
10. TPR Code of Practice Compliance
11. Governance Policy & Compliance Statement Review
12. Training Policy Review - Update

### **December 2018**

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of minutes of previous meeting
4. Training – Infrastructure
5. Infrastructure Investment
6. Quarterly Update
7. Strategic Asset/Liability Review
8. Funding Strategy Statement
9. Longevity Monitoring – Club Vita
10. Knowledge and Skills Self-Assessment
11. Conflicts of Interest Policy

### **March 2020**

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of minutes of previous meeting
4. Training – TBC
5. Quarterly Update
6. Actuarial Valuation – Final report sign off
7. Investment Strategy Statement Review
8. Pension Administration Strategy
9. Employer Data Audit
10. AVC Review