

REPORT OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES		
Pension Fund Business Plan 2020-2023	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO. 7
Pensions Board 18th November 2020		

1. INTRODUCTION

- 1.1 This report introduces the Pension Fund Business Plan for the period covering 2020-23 as approved by the Pensions Committee at its September 2020 meeting. The Business Plan sets out the key tasks the Fund needs to undertake to fulfil its strategic objectives for the next 3 years; it also includes a draft plan of work for the Pensions Committee and communications plan for the current financial year 2020-21 and therefore provides the Board with an indication of the issues the Committee will be dealing with at future meetings.

2. RECOMMENDATIONS

- 2.1 The Pensions Board Committee is recommended to:
- Note the Fund's Approved Business Plan for 2020-2023

3. RELATED DECISIONS

- Pensions Committee 30th September 2020

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 The Pensions Committee acts as scheme manager for the Pension Fund and is responsible for the management of £1.5 billion worth of assets and for ensuring the effective and efficient running of the Fund.
- 4.2 Having a three year business plan helps ensure that the Committee is able to plan and understand the financial decisions that it will be faced with over the coming years. The decisions taken by the Committee impact directly on the financial standing of the Fund and can affect its ability to meet its liabilities. Ensuring prudent financial management helps to improve the overall financial position of the Fund, potentially impacting on the contribution rates payable by participating employers.
- 4.3 The Pensions Board, whilst not a decision making body, assists the administering authority by ensuring adequate arrangements are in place to ensure that the Fund is administered effectively and in line with regulations. Sight of the Fund's Business

Plan by the Board provides them the opportunity to ensure relevant business is considered and to inform its own activity.

4.4 There are no direct financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

5.1 The role of the Pensions Board is prescribed by Section 106 of the Local Government Pension Scheme Regulations 2013 and includes the following:

- Securing compliance with the Local Government Pension Scheme Regulations 2013 and any other legislation relating to the governance and administration of the Scheme and any connected scheme
- Securing compliance with any requirements imposed by the Pensions Regulator in relation to the Scheme and any connected scheme
- Ensuring the effective and efficient governance and administration of the Scheme and any connected scheme

5.2 Reviewing the Fund's Business Plan for the future work and decision-making processes of the Pensions Committee helps the Board to ensure that decisions are being taken in line with the Local Government Pension Scheme Regulations 2013 and other relevant legislation, and that the scheme's governance and administration processes are efficient and effective.

5.3 Taking into account the role of the Pensions Board as set out in the Regulations, the consideration of the work of the Pensions Committee would appear to properly fall within the Board's remit.

6. BACKGROUND TO THE REPORT

6.1 The London Borough of Hackney is the Administering Authority for the Pension Fund; delegated powers under the Council Constitution have been given to the Pensions Committee to oversee its management. This includes monitoring of investments, making decisions on strategic asset allocation, appointing advisors, overseeing pension administration, setting budgets and receiving the annual report and accounts for the Pension Fund.

6.2 The business plan covers all the known key strategic matters for the financial years 2020-2023, the majority of which will be covered by the Committee in some detail. Plans for 2020-21 include a full review of the Fund's investment strategy (including its approach to Responsible Investment). It also includes a review of the Fund's approach to admission agreements and a project to assess the impact of the McCloud judgement on the Fund and amend member records accordingly. The Committee will also be asked to consider a range of policy documents, most of which require updating on either an annual or triennial basis. These latter issues may be of particular interest to the Pensions Board as they relate directly to administration functions of the Fund.

6.3 Obviously, clarity over the longer term strategic items within the business plan becomes more difficult further into the future, but the current business plan sets out the key known variables at this stage. It is recognised that this continues to be a time of considerable change for the LGPS and for the associated Pension Funds and that developments over the coming months could alter the business plan over the medium term.

Ian Williams

Group Director, Corporate Finance and Resources

Report Originating Officer: Michael Honeysett ☐020-8356 3332

Financial considerations: Jackie Moylan ☐020-8356 3020

Comments of the Director of Legal: Angelie Walkeri ☐020-8356 6994

Appendices

Appendix 1 - Business Plan 2020-2023