



REPORT OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

**Pensions Committee Business Plan
2021/22 to 2023/24**

**Pensions Board
17th March 2021**

Classification
PUBLIC

Ward(s) affected

ALL

Enclosures

One

AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 This report introduces the Pension Fund Business Plan for the period covering 2021/22 to 2023/24 for review by the Pensions Board. The business plan sets out the key tasks the Fund needs to undertake to fulfil its strategic objectives for the next three years; it also includes the proposed budget for 2021/22, a draft plan of work for the Pensions Committee and communications plan for the financial year 2021/22.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to:
- Note the Pensions Fund Business Plan for 2021/22 to 2023/24 including the 2021/22 budget.

3. RELATED DECISIONS

- Pensions Committee 15th March 2021 - Business Plan 2021-2024

4. COMMENT 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 £1.7 billion worth of assets and for ensuring the effective and efficient running of the Fund.
- 4.2 Having a three-year business plan including an associated budget 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 should be aware of the future work plan of the Committee to ensure that the Fund is being managed efficiently and in accordance with regulations

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 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 Pensions Fund Risk Register 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 2021/22 to 2023/24, the majority of which will be covered by the Committee in some detail. Plans for 2021/22 include implementing the Fund's new investment strategy (including its approach to Responsible Investment) and delivering the outcomes of the Scheme Advisory Board's Good Governance report. It also includes a review of the Fund's approach to admission agreements and ongoing work 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. The plan includes the proposed budget required in order to deliver the business plan and maintain business as usual activities in line with legal requirements and the Fund's agreed strategies and policies.
- 6.3 Also included within the business plan (at section 6) is a draft communications plan for the financial year 2021-22. This sets out the main areas to be targeted under the communications plan; annual reporting on actions undertaken during the year is included within the Pension Fund Report and Accounts under the Communications Policy.
- 6.4 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. It is also possible that some activity may be delayed due to ongoing Covid restrictions, other pressures or unexpected developments.

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Appendices

Appendix 1 - Business Plan 2021/22 to 2023/24