

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
BUSINESS PLAN 2022/23 - 2024/25 Pensions Committee 10th March 2022	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO. 8

1. INTRODUCTION

- 1.1. This report introduces the Pension Fund Business Plan for the period covering 2022/23 to 2024/25. 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 2022/23.

2. RECOMMENDATIONS

- 2.1. The Committee is recommended to approve the Business Plan for 2022/23 to 2024/25.

3. RELATED DECISIONS

- 3.1. Pensions Committee 15th March 2021 – Business Plan 2021/22 to 2023/24

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 £1.9 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.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 5.1. The Council's Constitution gives the Pensions Committee responsibility for various specified functions relating to management of the Council's Pension fund. This includes setting the fund's strategic objectives and developing a medium-term plan to deliver these, and also setting an annual budget for the operation of the Pension Fund. In carrying out those functions the Committee must have regard to the various legislative obligations imposed on the Council as the Fund's Administering

Authority, particularly by the Local Government Pension Scheme Regulations 2013. Those obligations include producing specific documents and complying with statutory deadlines.

- 5.2. It is sensible against this background, and consistent with good administration and governance, to set out a three-year business plan and schedule the work of the Committee to ensure that the regulatory requirements of the Fund are met in a timely fashion.

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 2022/23 to 2024/25, the majority of which will be covered by the Committee in some detail. Plans for 2022/23 includes agreeing the Fund's new Investment Strategy and undertaking the 2022 actuarial valuation and review of the Funding Strategy. It also includes delivering the outcomes of The Pension Regulator's new single Code of Practice, implementing further on-line employer and scheme member functionality, along with the 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.
- 6.3. Also included within the business plan (at Section 6) is a draft communications plan for the new financial year 2022/23. This sets out the main areas to be targeted during the year.
- 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 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 work pressures, particularly if there are issues with recruiting to vacant positions within the Pensions Fund Management Team.

Ian Williams

Group Director, Finance and Corporate Resources

Report Originating Officers: Rachel Cowburn 020-8356 2630

Financial considerations: Jackie Moylan 020-8356 3332

Legal comments: Georgia Lazari 020-8356 1369

Appendices

Appendix 1 - Draft Pension Fund Business Plan