


Non-Executive Report of the: Pensions Committee Thursday, 27 June 2022	 TOWER HAMLETS
Report of: Corporate Director, Resources	Classification: Open (Unrestricted)
Tower Hamlets Pension Fund Business Plan 2022/23 to 2024/25	

Originating Officer(s)	Miriam Adams
Wards affected	(All Wards);

Executive Summary

The Business Plan provides the operational framework for the Pension Fund Committee to agree and deliver its strategic objectives for investment, funding governance, administration and delivery.

Recommendations:

The Pensions Committee is recommended to:

1. Note the report and approve the Tower Hamlets Pension Fund Business Plan 2022/23 to 2024/25 attached at Appendix 1

1. REASONS FOR THE DECISIONS

- 1.1 It is best practice for local authority pension funds to operate a formal documented Business Plan for their operations. This report sets out a recommended Business plan for 2022/23 to 2024/25.

2. ALTERNATIVE OPTIONS

- 2.1 The development and implementation of a business plan should ensure that a structured approach is in place for the monitoring and management of the Pension Fund. This should in turn ensure that the Council meets its statutory obligations as administering authority to the Fund. The production of a business plan is currently a recommendation of LGPS Good Governance III project. Both the Committee and Board have each maintained a work plan.

3. DETAILS OF THE REPORT

- 3.1 This paper brings the Tower Hamlets Pension Fund Business Plan covering the financial years 2022/23 to 2024/25 to the Committee for approval. The Business Plan is attached at Appendix A and the areas covers are set out below.
- 3.2 The Fund's business plan objectives cover the following areas:
- Investment
 - Funding
 - Governance
 - Administration and Communication
- 3.3 The forecast budget for 2022/23 details the Fund's expenses by administration, oversight and governance, and investment management.
- 3.4 Governance and oversight expenses are expected to increase slightly due to use of Hymans Robertson for reviews and projects.
- 3.5 Investment management costs are expected to increase further in 2022/23 and beyond. This is due to an increase in asset market values, transition of investments to more complex asset classes increased like Renewable Energy which attract higher management fee.

Next Steps

- 3.6 The following next steps are planned:
- Commencement of the year's work in line with the draft business plan
 - Officers will revise the Business Plan on accordance with any suitable recommendations arising from the governance review and bring to Committee for approval
 - Progress monitoring will take place and, if necessary, matters will be discussed at future Committee meetings.

4. EQUALITIES IMPLICATIONS

- 4.1 The creation of a business plan will not require an equality analysis, as the initiative is not a major policy or function being created or changed.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,

- Safeguarding.
- Data Protection / Privacy Impact Assessment.

Risk Management

- 5.2 A risk related issue is the possibility of not achieving part or all of the business plan. Officers are very aware of the need to monitor performance against business plan objectives annually.

The adoption of a business plan alongside the work plan will minimise risks relating to management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Tower Hamlets Pension Fund.

Environmental (including air quality)

- 5.3 The Fund has a climate risk policy designed to minimise the fund's contribution towards climate change and minimise the fund's exposure to risk driven by climate change.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The Business Plan focusses on the key activities that will provide the Pension Fund Committee and officers with a useful framework to monitor the progress of the Fund in meeting its strategic objectives.

7. COMMENTS OF LEGAL SERVICES

- 7.1 There are no legal implications or legislative requirements associated with this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- 2022/23 TO 2024/25 Business Plan (Appendix 1).

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- NONE

Officer contact details for documents:

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