

## **PENSIONS BOARD 12 AUGUST 2021**

**Report title:** Lambeth Pension Fund – Business Plan 2021/22

**Wards:** All

**Portfolio:** Cabinet Member for Finance and Performance: Councillor Andy Wilson

**Report Authorised by:** Strategic Director for Finance and Investment: Fiona McDermott:

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### **REPORT SUMMARY**

This report presents the Lambeth Pension Fund Business Plan for the financial year 2020/21.

Although there is no statutory requirement for the preparation of a Business Plan, it is recommended as best practice for the Fund to create an annual plan that summarises the objectives and milestones for the forthcoming year, and helps to identify how service delivery can be maximised within any potential constraints on resources.

### **FINANCE SUMMARY**

There are no direct financial implications in agreeing the recommendation of this report.

### **RECOMMENDATIONS**

1. That the Business Plan for 2021/22 be noted, as appended at Appendix One.

## **1 CONTEXT**

- 1.1 The revised Myners Principles as issued in 2008 set out suggested best practice for the governance of pension schemes via six high level principles. The principles are voluntary, and there is no statutory requirement to publish compliance against them.
- 1.2 One recommendation of the principles, to evidence effective decision-making, is the creation of an annual Business Plan that summarises the objectives and milestones for the forthcoming year. Effective business planning is regarded as an important tool and helps to identify how service delivery can be maximised within any potential constraints on resources.

## **2 PROPOSALS AND REASONS**

- 2.1 The Business Plan for 2021/22 is appended at Appendix One, and has been broken down into six categories to highlight the high-level objectives of the Fund and the actions required to fulfil them in the year:
  - Administration and Governance;
  - Communication;
  - Actuarial/Funding;
  - Pensions Committee and Board;
  - Financial and Risk Management; and
  - Investment and Strategy
- 2.2 The Administration and Governance actions are to ensure the Fund continues to be run in accordance with the relevant regulations and agreed service standards, and to identify and rectify any instances of non-compliance at the earliest opportunity.
- 2.3 The Communication objectives of the Fund are to continue to provide current and relevant information on the scheme to existing and prospective members, and to proactively engage with stakeholders as relevant to the scheme.
- 2.4 Actuarial/Funding objectives involve preparation for the forthcoming triennial valuation as at 31 March 2022, but also the monitoring of current funding issues and contributions receivable.
- 2.5 Objectives relating to the Pensions Committee and Board focus on delivering an effective training programme and the continued efficiency of meetings and decision-making.
- 2.6 The Financial and Risk Management objectives of the Fund are to ensure the timely and accurate recording of financial information for capture in the Statement of Accounts and Annual Report, as well as the continued identification and management of risks to the Fund.

- 2.7 Investment and Strategy objectives focus on monitoring the recently revised investment strategy and performance against it, with actions also including the development of a climate strategy (as agreed by the Committee in March 2020) as part of the Fund's overall approach to Environmental, Social and Corporate Governance (ESG).

### **3 FINANCE**

- 3.1 There are no direct financial implications in agreeing to the recommendations of this report.

### **4 LEGAL AND DEMOCRACY**

- 4.1 The Lambeth Pension Fund is run in accordance with the Local Government Pension Scheme Regulations 2013 enacted along with other Regulations under the Superannuation Act 1972 and the Public Service Pension Act 2013, and is for the benefit of Council employees and outside organisations which have entered into an agreement with Lambeth to provide pensions for their staff.
- 4.2 The Pension Committee must be mindful of their fiduciary duty to obtain the best possible financial return on the investments it administers within the investment strategy framework.
- 4.3 There are no additional comments from Democratic Services.

### **5 CONSULTATION AND CO-PRODUCTION**

- 5.1 Not Applicable.

### **6 RISK MANAGEMENT**

- 6.1 Investment decisions involve taking risks that Members of the Committee should always bear in mind. Generally, risk is taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more 'stable' investments before investors will buy them. Members must consider the risk/reward trade-off; generally, the higher the potential return expected the higher the associated risk. Members in their capacity as Trustees bear that risk.

### **7 EQUALITIES IMPACT ASSESSMENT**

- 7.1 None for the purposes of this report.

### **8 COMMUNITY SAFETY**

- 8.1 None for the purposes of this report.

### **9 ORGANISATIONAL IMPLICATIONS**

#### **Environmental**

- 9.1 None for the purposes of this report.

#### **Health**

9.2 None for the purposes of this report.

### **Corporate Parenting**

9.3 None for the purposes of this report.

### **Staffing and accommodation**

9.4 None for the purposes of this report.

### **Responsible Procurement**

9.5 None for the purposes of this report.

## **10 TIMETABLE FOR IMPLEMENTATION**

10.1 Not Applicable.

<b>AUDIT TRAIL</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/division or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Andrew Wilson, Cabinet Member	Finance and Performance	22.06.2021	22.06.2021	
Fiona McDermott, Strategic Director	Finance and Investment	16.06.2021	24.06.2021	
Christina Thompson, Director of Finance	Finance and Investment	16.06.2021	23.06.2021	
Hamant Bharadia, Assistant Director of Finance	Finance and Investment	16.06.2021	22.06.2021	
Andrew Pavlou, Legal Services	Legal and Democratic Services	16.06.2021	23.06.2021	
Marianna Ritchie, Democratic Services	Legal and Democratic Services	16.06.2021	23.06.2021	

<b>REPORT HISTORY</b>	
<b>Original discussion with Cabinet Member</b>	N/A
<b>Report deadline</b>	16 June 2021
<b>Date final report sent</b>	
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	N/A
<b>Key decision reasons</b>	N/A
<b>Background information</b>	N/A

**Appendices**

- Appendix One – Business Plan 2021/22