

London Borough of Hammersmith and Fulham Fund

Business Plan 2021/22

Introduction

The Myners Report to HM Treasury, published in March 2001, recommends that local authority pension funds should approve an annual business plan in respect of the objectives required for the next one to three years.

Estimates are based on current investment allocations and expected expenses based on historic information and available forecasts. Investment allocations are subject to change, impacting management expenses.

Strategic medium-term objectives are grouped under the following headings:

- Administration and communication;
- Actuarial / funding;
- Pensions Sub-Committee;
- Local Pension Board;
- Risk management.

In order to meet objectives, a timetable of performance indicators has been agreed and an outturn report will be presented to the Pensions Sub-Committee to update members on progress.

2021/22 Forecast Expenditure

	Company Name (If Applicable)	2019/20	2020/21	2021/22
		Actual	Estimate*	Estimate
		£000	£000	£'000
Administration				
Employees		-	40	260
Supplies and services		374	387	320
Other costs		3	5	5
		377	432	585
Governance and oversight				
Employees		446	463	170
Investment advisory services	Deloitte	68	100	125
Governance and compliance		134	160	160
External audit	Grant Thornton	25	27	30
Actuarial fees	Barnett Waddingham	79	95	95
Training		-	-	10
		752	845	590
Investment Management				
Management, Performance and Transaction fees				
	Legal & General	99	210	205
	LCIV Absolute Return	1,048	1,500	1,185
	LCIV Global Bond Fund	211	245	265
	LCIV Global Sustain Fund	0	520	865
	Partners Group	1,137	1175	1,175
	ASI Long Lease	259	260	265
	ASI MSPC	0	180	180
	Oak Hill Advisors	622	485	600
	Aviva	166	175	180
	Northern Trust	28	35	35
	Other	1,165	340	570
		4,735	5,125	5523
Total		5,864	6,402	6,698

* Estimate is currently based on charges made as at PD 9 and approximate adjustments made

Administration and Communication

	Actions	Timeline	Responsibility	Overseen by
A	Annual review and publication of the Pensions Administration strategy	31/3/22	Eleanor Dennis	Dawn Auger
B	Compliance and reporting of key service performance indicators (KPIs)	31/3/21	Eleanor Dennis	Dawn Auger
C	Review and publication of communication policy	31/3/22	Eleanor Dennis	Dawn Auger
D	Annual report and accounts published on website	1/12/21	Patrick Rowe	Matt Hopson
E	Freedom of information (FOI) requests responded to within statutory deadline	Ongoing	Patrick Rowe	Matt Hopson

Annual review and publication of the Pensions Administration strategy

Eleanor

Compliance and reporting of key service performance indicators (KPIs)

Eleanor

Review and publication of communication policy

Eleanor

Annual report and accounts published on website

Pat

Freedom of information (FOI) requests responded to within statutory deadline

Pat

Actuarial / Funding

	Actions	Timeline	Responsibility	Overseen by
A	Provide employers with IAS19/FRS102 funding statements in line with employer year end.	March 21 July 21 August 21	Patrick Rowe	Matt Hopson
B	Funding level to be reported to Pensions Sub-Committee quarterly.	Quarterly	Patrick Rowe	Matt Hopson
C	Monitor and reconcile employer contributions remittances with the pension fund bank statement.	Monthly	Alastair Paton	Matt Hopson
D	Member training to cover actuarial funding issues.	Ongoing	Mathew Dawson	Phil Triggs
E	Funding strategy reviewed and updated	March 21	Matt Hopson/Phil Triggs	Pensions Sub-Committee

Provide employers with IAS19/FRS102 funding statements in line with employer year end.

Pat

Funding level to be reported to Pensions Sub-Committee quarterly.

Pat

Monitor and reconcile employer contributions remittances with the pension fund bank statement.

Alastair

Member training to cover actuarial funding issues.

Mat Dawson

Funding strategy reviewed and updated

Matt / Phil

Pensions Sub-Committee

	Actions	Timeline	Responsibility	Overseen by
A	Train and develop all members to enable them to perform their duties effectively.	Ongoing	Mathew Dawson	Phil Triggs
B	Committee papers to be issued to members five working days prior to meeting, and minutes to be circulated in a timely manner.	Quarterly	David Abbot	Rhian Davies
C	Committee meetings should include the investment advisor as appropriate	Ongoing	Patrick Rowe	Matt Hopson
D	Manager monitoring reports to be presented to Pensions Sub-Committee members.	Quarterly	Patrick Rowe	Matt Hopson
E	Pensions Sub Committee to receive quarterly investment monitoring reports.	Quarterly	Patrick Rowe	Matt Hopson
F	Review and implement asset allocation, rebalancing where necessary.	Quarterly	Phil Triggs	Pensions Sub-Committee
G	Review, implement and publish the Investment Strategy Statement.	Annually	Phil Triggs	Pensions Sub-Committee
H	Respond to all government consultations and report to the Pensions Sub-Committee as necessary.	As appropriate	Phil Triggs	Pensions Sub-Committee

Train and develop all members to enable them to perform their duties effectively.

Mat

Committee papers to be issued to members five working days prior to meeting, and minutes to be circulated in a timely manner.

David Abbot

Committee meetings should include the investment advisor as appropriate

Pat

Manager monitoring reports to be presented to Pensions Sub-Committee members.

Pat

Pensions Sub Committee to receive quarterly investment monitoring reports.

Pat

Review and implement asset allocation, rebalancing where necessary.

Phil

Review, implement and publish the Investment Strategy Statement.

Phil

Respond to all government consultations and report to the Pensions Sub- Committee as necessary.

Phil

Local Pension Board

	Actions	Timeline	Responsibility	Overseen by
A	Provide Local Pension Board members with access to training offered to Pensions Sub-Committee members.	Ongoing	Mathew Dawson	Phil Triggs
B	Comply with any requests from the Local Pension Board with regard to any aspect of the Scheme Manager function.	Ongoing	Phil Triggs	Pensions Sub-Committee
C	Pass on recommendations made by the Pensions Sub-Committee to the Local Pension Board within a reasonable period of time.	Ongoing	Phil Triggs	Pensions Sub-Committee

Provide Local Pension Board members with access to training offered to Pensions Sub- Committee members.

Mat

Comply with any requests from the Local Pension Board with regard to any aspect of the Scheme Manager function.

Phil

Pass on recommendations made by the Pensions Sub-Committee to the Local Pension Board within a reasonable period of time.

Phil

Risk Management

	Actions	Timeline	Responsibility	Overseen by
A	Monitor Pension Fund expenses for the year against the agreed forecast.	March 21	Patrick Rowe	Matt Hopson
B	Produce an Annual Statement of Accounts and achieve an unqualified audit.	Sep 21/22	Patrick Rowe	Matt Hopson
C	Ensure ongoing risk assessments of the management of the Fund.	Ongoing	Patrick Rowe	Matt Hopson
D	Review MiFID documentation to ensure the Fund retains its professional investor status.	Ongoing	Patrick Rowe	Matt Hopson
E	Obtain independent internal controls assurance reports for investment managers and fund global custodian.	March 21	Patrick Rowe	Matt Hopson
F	Approve the Risk Register	Quarterly	Phil Triggs	Pension Board

Monitor Pension Fund expenses for the year against the agreed forecast.

Pat

Produce an Annual Statement of Accounts and achieve an unqualified audit.

Pat

Ensure ongoing risk assessments of the management of the Fund.

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Review MiFID documentation to ensure the Fund retains its professional investor status.

Pat

Obtain independent internal controls assurance reports for investment managers and fund global custodian.

Approve the Risk Register

Phil

Further Information

Review the performance of the Fund's investment advisor against its stated aims and objectives.