

Bedfordshire Pension Fund Business Plan 2019-2023



Introduction

Bedford Borough Council is the Administering Authority of the Bedfordshire Local Government Pension Scheme (LGPS). Management of the Pension Fund is delegated to the Pensions Committee acting in the role of 'trustees' of the Pension Fund. The day to day running of the Fund has been delegated to the *Assistant Chief Executive (Enabling Services)*, *Chief Officer Corporate Finance and Pensions* and the *Manager for Pensions Administration*. The Pensions Team has responsibility for all aspects of the Fund including administration, investments and accounting.

The purpose of this document is to set out a business plan for the Pension Fund for the period 2019-2023 and to outline the Fund's aims and objectives over the longer term and commitments to the Pooling of Investments.

Objectives

The primary objectives of the Fund are to:

- Deliver a high quality and friendly information service to all beneficiaries, potential beneficiaries and employers;
- Provide clear, appropriate and timely communication with all Stakeholders;
- Act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, well based and undertaken by people who have the appropriate knowledge and expertise;
- Help employers recognise and manage Pension liabilities as they accrue (addressing the different characteristics of disparate employers to the extent that is practical and cost effective);
- Optimise the return on investment consistent with a prudent level of risk over the long term.



Pension Fund Statistics

The Bedfordshire Pension Fund was valued at £2,187.2 million as at the 31 December 2018.

Valuations are carried out every three years. The last valuation was as at 31 March 2016, with the next one due 31 March 2019. These Valuations put value on the liabilities of the Fund and compare them with the market value of assets as part of the determination of employer contribution rates.

Chart 1: Assets and Liabilities 2010 to 2016

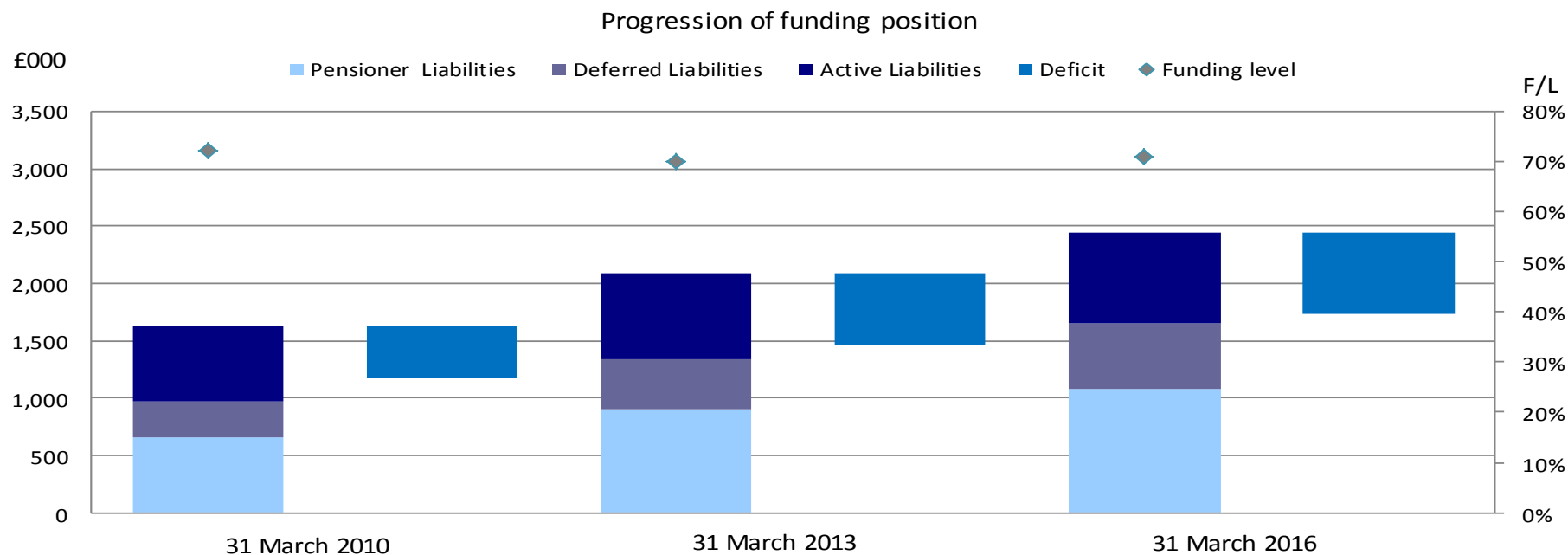


Chart 1 is based on Valuation reports.



Chart 2: Membership Analysis 2001 to 2016

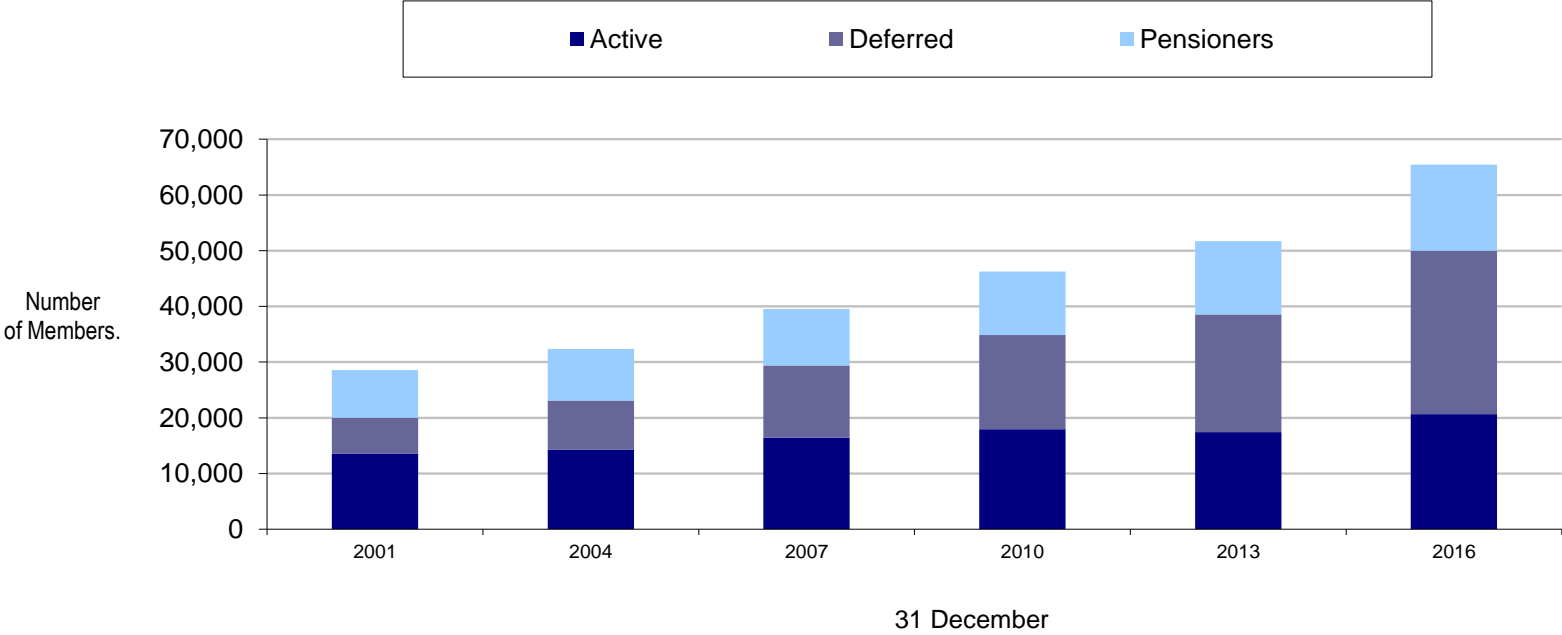


Chart 3: Cash Flow (excluding Investment Income)

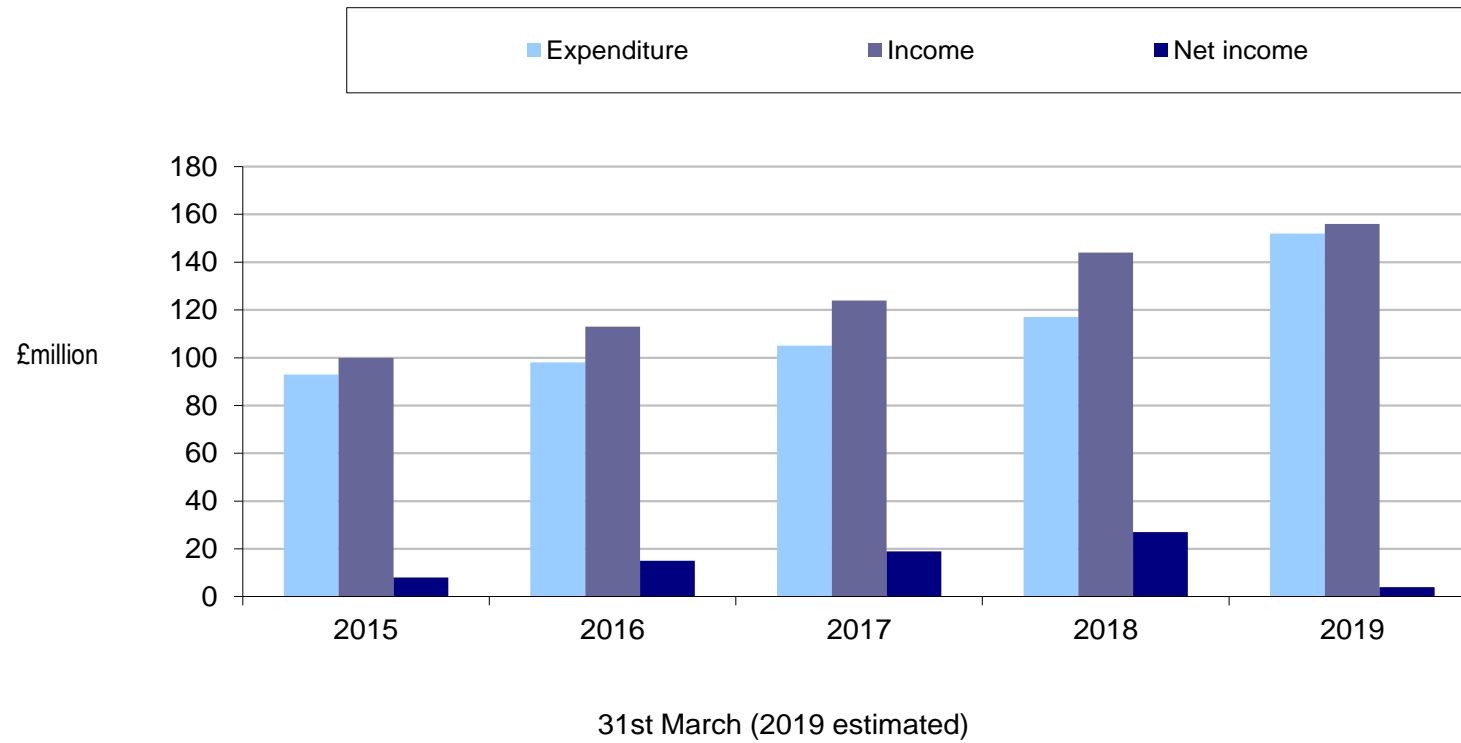
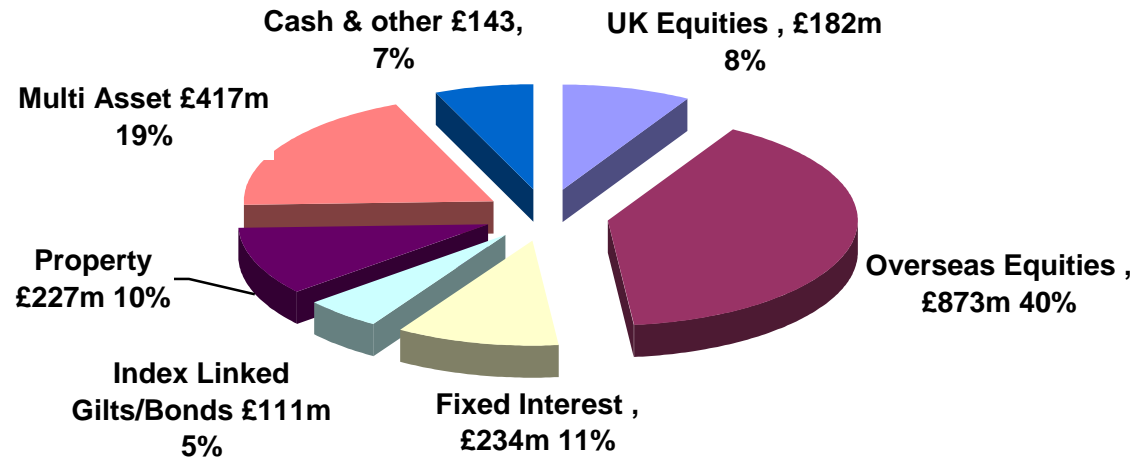


Chart 4: Asset Allocation as at 31st December 2018

The Pension Fund invests in a wide range of asset classes and regularly reviews its asset allocation policy to ensure that it remains appropriate for the Fund. Fund total is £2,187 million and all amounts shown are million.



Draft Pension Fund Budget 2019/2020

	2019/2020	2018/2019	Change	
	£000	Revised £000	£000	%
Investment Management				
Investment management basic fees	4,436	4,952		
Fees for Pooled Funds	2,217	2,067		
Performance related fees	300	400		
Total Investment Management	6,953	7,419	-466	-6.3
Overview and Governance*	1,025	826	199	24.1
Administration				
Net Running Costs	133	132		
Computer costs	274	270		
In-house:	0	0		
Fund Administration – Administering Authority Recharge	1,225	1,174		
Total Administration	1,632	1,576	56	3.5
Grand Total	9,610	9,821	-211	-2.1

* Includes the Pooling commitment of £370k in 2019/2020

Objectives 2019–2023

In order to meet the objectives of the Pension Fund, the Business Plan has to be put into the context of a period of significant uncertainty for the Fund. This incorporates not only the volatile investment markets, but also investment pooling into Border to Coast Pensions Partnership. Set out in the table below is the 4 year business plan for the Pension Fund:

	2019/20	2020/21	2021/22	2022/23
Pension Administration				
Valuation – collection of data	Apr to Jul			Apr to Jul
Valuation Results to Employers	Sep to Mar			Sep to Mar
Annual Submission of Data for Employers	Apr to Jul	Apr to Jul	Apr to Jul	Apr to Jul
Guaranteed Minimum Pension Review	TBC			
Pension Administration Performance Review	Quarterly	Quarterly	Quarterly	Quarterly
Pensions On-Line	Sep - Mar			
Annual Benefit Statements	May to Aug	May to Aug	May to Aug	May to Aug
Communication Policy review	Jan to Mar			
Refresh internet		Jan to Mar		



	2019/20	2020/21	2021/22	2022/23
Investments and Accounting				
Asset allocation review	Nov to Mar			
Investment Strategy Statement	March	March	March	March
Qualitative review of asset allocation	November	November	November	November
Manager meetings by Rotation*	Quarterly	Quarterly	TBC	TBC
Investment Performance Review	Monthly	Monthly	Monthly	Monthly
Pooling – Asset Transfers	On-going	On-going		
Employer Accounting Reports	July, August and March	July, August and March	July, August and March	July, August and March

*Alternative arrangements will be established when all assets are held by BCPP



	2019/20	2020/21	2021/22	2022/23
Governance				
Pension Fund Accounts Preparation	Apr to May	Apr to May	Apr to May	Apr to May
Approve Pension Fund Annual Report	July	July	July	July
Local Pension Board Meeting	Quarterly	Quarterly	Quarterly	Quarterly
Employer Annual Meeting	April / December	October	October	February / December
Review Risk Register	June / December	June / December	June / December	June / December
Governance Review (RI and Stewardship)	June / December	June / December	June / December	June / December
Member Training Programme	June	June	June	June
Review AVC provider			September	
Market Test Independent Investment Adviser	Apr - June			
Market Test Investment Adviser		January		



	2019/20	2020/21	2021/22	2022/23
Funding				
Triennial valuation - Calculations	July to Dec			July to Dec
Triennial valuation – Funding Strategy	June to Nov			June to Nov
Triennial valuation - Assessment of Employers	Mar to Apr			Mar to Apr
Triennial valuation – Formal review of Funding Strategy Statement and consultation	Oct to Dec			Oct to Dec
Employer Risk Monitoring		January	January	
Fund Policies Review (Cessation, ill-health and bulk transfer)	June	June	June	June
Fund maturity and liabilities profiling and monitoring	Sep-Nov			
Employer Funding Strategies	Dec-Jan			

Attached at the **Annex** to this report is an indicative work plan for the Pensions Committee for the financial year 2019/20. The work plan provides a more detailed indication of the short term priorities, that link to the longer term business plan.



Forward Plan – 2019/2020 Committee meetings

Meeting	Agenda Item
July 2019	Investment Performance Report Pensions Administration – Performance Update Statement of Accounts Internal Audit Review External Audit Review Risk Register Pension Fund Training Plan Governance Policy Review Regulations Update LGPS Pooling Update Annual Report Member Self Service 2019 Valuation Update
October 2019	Investment Performance Report Pensions Administration Performance Update Cash Flow Monitoring to June 2019 Investment Structure Review Review against Business Plan objectives Regulation Update LGPS Pooling Update Guaranteed Minimum Pension Update Valuation Update



December 2019

Investment Performance Report
Pensions Administration – Performance Update (including Replacement Administration System)
Cash Flow Monitoring to September 2019
Asset Allocation – Annual Review (including Benchmark review)
Review Myners Principles
Review against Business Plan objectives and consideration of risk register
Update on Pension Reform
LGPS Pooling
Review of Fund performance and liabilities
Valuation Update
BCPP RI Policy and Corporate Voting Guidelines
Risk Register Review

February 2020

Investment Operations Report
External Audit Plan
Pensions Administration – Performance Update
Cash Flow Monitoring to December 2019
Cash Flow estimate and Proposed Budget for 2020/2021
Investment Strategy Statement Review
Business Plan Refresh including review against Business Plan objectives
Regulation Update
LGPS Pooling
Employer Funding Strategies
Valuation Update

