

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 8

INVESTMENT PANEL REPORT

7 MARCH 2018

STRATEGIC DIRECTOR FINANCE, GOVERNANCE & SUPPORT – JAMES BROMILEY

BUSINESS PLAN 2018/21

1. PURPOSE OF THE REPORT

- 1.1 To present to Members of the Teesside Pension Fund Committee (the Committee) the annual Business Plan for the Fund.

2. RECOMMENDATION

- 2.1 That Members approve the Business Plan, including the 2018/19 Pension Fund budget, and the Annual Report for Middlesbrough Council.

3. FINANCIAL IMPLICATIONS

- 3.1 The 2018/19 forecast income and expenditure is set out in the Business Plan, and is summarised below (expenditure in brackets):

	£ millions
Income from members	104
Expenditure to members	(150)
Administration and management expenses	(6)
Estimates net return on investments	87
Net increase/decrease in net assets available for benefits	35

4. BACKGROUND

- 4.1 In order to comply with the recommendations of the Myners Review of Institutional Investment it was agreed that an annual Business Plan should be presented to Members for approval. The Business Plan should contain financial estimates for the Fund, including the budgeted costs for investment and management expenses.
- 4.2 The Teesside Pension Fund Business Plan is designed to set out how the Investment Panel operates, what powers are delegated and to provide information on key issues. The Business Plan sits alongside the Fund's other governance documents, which sets out the delegated powers and responsibilities of officers charged with the investment management function.

4.3 The Business Plan for 2018/21 is attached (Appendix 1). The Business Plan has been updated to include:

- The purpose of the Fund, including the 2018/19 Teesside Pension Fund Service Promise (see Appendix A);
- The current governance arrangements for the Fund;
- The performance targets for the Fund for 2018/19, and a summary of the performance to date for 2017/18 (see Appendix B);
- The arrangements in place for managing risk and the most up to date risk register for the Fund (see Appendix C);
- Membership, investment and funding details for the Fund;
- A forecast outturn for 2017/18 and a full estimate for income and expenditure for 2018/19 (see Appendix D);
- A revised annual plan for key decisions and a detailed forward work programme for 2018/19 and an outline work plan for 2019 – 2021; and
- The annual report to Council (see Appendix E).

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