

TEESSIDE PENSION FUND
Administered by Middlesbrough Council

AGENDA ITEM 9

TEESSIDE PENSION BOARD REPORT

5 NOVEMBER 2018

STRATEGIC DIRECTOR FINANCE, GOVERNANCE & SUPPORT – JAMES BROMILEY

BUSINESS PLAN 2018/21 – PROGRESS REPORT

1. PURPOSE OF THE REPORT

- 1.1 To present to Members of the Teesside Pension Board (the Board) with an update of progress against the Business Plan for the Fund.

2. RECOMMENDATION

- 2.1 That Members note the progress made against the Business Plan, including the estimated outturn for the 2018/19 Pension Fund budget.

3. FINANCIAL IMPLICATIONS

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

	£ millions
Income from members	105
Expenditure to members	(151)
Administration and management expenses	(6)
Estimates net return on investments	156
Net increase/decrease in net assets available for benefits	104

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 included:

- The purpose of the Fund, including the 2018/19 Teesside Pension Fund Service Promise;
- 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;
- The arrangements in place for managing risk and the most up to date risk register for the Fund;
- 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;
- 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.

4.4 This report will update Members with progress against the following key elements of the Business Plan:

- The key performance indicators for the Fund (Appendix A);
- An up to date risk register (Appendix B);
- The estimated outturn for the Pension Fund 2018/19 budget (Appendix C); and
- Progress against the detailed work programme for 2018/19 (Appendix D), including a new assessment against the Pension Regulator Code of Practice (Code 14) (Appendix E).

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