

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 8

PENSION FUND COMMITTEE REPORT

13 MARCH 2024

DIRECTOR OF FINANCE, DEBBIE MIDDLETON

PENSION FUND BUSINESS PLAN 2024/27

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 2024/25 Pension Fund budget.

3. FINANCIAL IMPLICATIONS

- 3.1 The 2024/25 forecast income and expenditure is set out in the Business Plan, and is summarised below (expenditure in brackets):

	£ millions
Income from employers / members	121.2
Expenditure to members	(222)
Administration and management expenses	(12.1)
Estimated net investment income	145.5*
Net increase (decrease) in net assets available for benefits	32.6

**Assumes the Fund chooses to take £70 million in dividends from Border to Coast equity pooled funds.*

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 Pension Fund Committee operates, what powers are delegated and to provide information on key issues. The Business Plan sits alongside the Fund's other governance

documents, which set out the delegated powers and responsibilities of officers charged with the investment management function.

4.3 The Business Plan for 2024/27 is attached (Appendix 1). The Business Plan includes:

- The purpose of the Fund, including the Teesside Pension Fund Service Promise (see Appendix A);
- The current governance arrangements for the Fund;
- The performance targets for the Fund for 2024/25, and a summary of the performance for 2023/24 (latest available) (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;
- An estimated outturn for 2023/24 and an estimate for income and expenditure for 2024/25 (see Appendix D and page 21 of Appendix 1); and
- An annual plan for key decisions and a forward work programme for 2024/27 and an outline work plan for 2024 – 2027.

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