

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 7

TEESSIDE PENSION BOARD REPORT

31 MARCH 2025

DIRECTOR OF FINANCE AND TRANSFORMATION, ANDREW HUMBLE

DRAFT PENSION FUND BUSINESS PLAN 2025/28

1. PURPOSE OF THE REPORT

- 1.1 To present to Members of the Teesside Pension Board ('the Board') the draft annual Business Plan for the Fund, which will be presented to the next Pension Fund Committee for approval.

2. RECOMMENDATION

- 2.1 That Members note the Business Plan including the 2025/26 Pension Fund budget.

3. FINANCIAL IMPLICATIONS

- 3.1 The 2025/26 forecast income and expenditure is set out in the Business Plan, and is summarised below (expenditure in brackets):

	£ millions
Income from employers / members	134.7
Expenditure to members	(213.7)
Administration and management expenses	(13.8)
Estimated net investment income	151.0*
Net increase (decrease) in net assets available for benefits	58.2

**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 2025/28 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 2025/26, and a summary of the performance for 2024/25 (latest available) (see Appendix B);
- The arrangements in place for managing risk and the risk register for the Fund (see Appendix C);
- Membership, investment and funding details for the Fund;
- An estimated outturn for 2024/25 and an estimate for income and expenditure for 2025/26 (see Appendix D and page 22 of Appendix 1); and
- An annual plan for key decisions and a forward work programme for 2025/26 and an outline work plan for 2027 – 2028.

CONTACT OFFICER: Nick Orton – Head of Pensions Governance and Investments

TEL NO.: 01642 729040