

**JOINT MEETING OF PENSION FUND COMMITTEE AND
PENSION BOARD**

22 June 2017

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes the Pension Fund Business Plan 2017/18 – 2019/20.**
- 1.2 Best practice suggests that having a business plan for the pension fund is a good way of demonstrating compliance with the “Myners Principle” relating to effective decision making. Appendix 1 contains the first Pension Fund Business Plan, covering the period 2017/18 -2019/20.
- 1.3 The Business Plan 2017/18 – 2019/20 identifies an Action Plan that will be delivered during the next three years to support the aims and objectives of the Pension Fund.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Pension Fund Business Plan 2017/18 – 2019/20 as set out in Appendix 1 is approved.**

3 BACKGROUND

- 3.1 Local Government Pension Scheme (LGPS) administering authorities are required to prepare, publish and maintain statements of compliance against a set of six principles for pension fund investment, scheme governance, disclosure and consultation. These are referred to as the "Myners Principles" which are set out in the Statement of investment principles elsewhere on the committee agenda.
- 3.2 Best practice suggests that having a business plan for the Pension Fund is a good way of demonstrating compliance with the "Myners Principle" that relates to effective decision making.

4 PENSION FUND BUSINESS PLAN 2017/18 – 2019/20

- 4.1 Appendix 1 contains the proposed Pension Fund Business Plan 2017/18 – 2019/20 (the Business Plan).
- 4.2 The Business Plan has been developed by officers in Human Resources and Finance and uses the template developed for the Council, with some adjustments to meet the specific needs of the Pension Fund.
- 4.3 The sections of the Business Plan are:
 - (a) Overview of the Pension Fund;
 - (b) A summary of what must be done;
 - (c) A summary of successes and areas for improvement;
 - (d) The Fund's aims and objectives;
 - (e) Management of Risk Summary;
 - (f) Key stakeholders;
 - (g) An overview of the Fund's resources;
 - (h) How Performance is managed;
 - (i) The Fund's Action Plan, including performance indicators for 2017/18 – 2019/20.
- 4.4 The Action Plan (page 13 of Appendix 1) is split into three objectives which support the Strategic Aims and Objectives of the Fund. These are:
 - (a) Set levels of employer contributions that will build up a fund of assets that will be sufficient to meet all future benefit payments from the Fund, and invest in assets that grows the Fund's assets in such a way that produces levels of employer contribution that are as stable as possible.
 - (b) Deliver a High Quality Pension Service to Members.
 - (c) Ensure that Scottish Borders Pension Fund is managed effectively, transparently and in compliance with legal requirements.

5 IMPLICATIONS

5.1 Financial

There are no direct financial implications arising from this report, The actions required by the Business Plan may have financial implications and these will be reported as they arise.

5.2 Risk and Mitigations

This report is part of the governance framework to manage the operation of the Pension Fund and ensure effective decision making.

5.3 Equalities

The Business Plan identifies where there is a potential for the requirement for an Equalities Impact Assessment, and this will be undertaken at the time of undertaking the work proposed in the Plan.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this reports which would affect the Council's sustainability.

5.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required as a result of this report.

6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council are being consulted on the report and their comments have been incorporated into the report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference: Joint Pension Fund Committee and Pension Board, 8 December 2016

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