

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

18 June 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report proposes the Pension Fund Business Plan 2015/16 – 2017/18.**
- 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 2015/16 -2017/18.
- 1.3 The Business Plan 2015/16 – 2017/18 identifies an Action Plan that will be delivered during the next three years to support the aims and objectives of the Pension Fund.

2 STATUS OF REPORT

- 2.1 This report has been circulated to consultees within the recommended timeframe and as a result their comments have not been able to be included in the report, but will be presented to the Joint Committee and Board meeting. The late preparation of the report is related to the significant work involved in producing all the final year end reports and securing the membership of the new Board.

3 RECOMMENDATIONS

- 3.1 **It is recommended that the Pension Fund Business Plan 2015/16 – 2017/18 as set out in Appendix 1 is approved.**

4 BACKGROUND

- 4.1 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" and the reporting on compliance, as required by the LGPS Regulations, must be included in the Statement of Investment Principles.
- 4.2 Best practice suggests that having a business plan for the Pension Fund is a good way of demonstrating compliance with the "Myners Principle" that underpins effective decision making.

5 PENSION FUND BUSINESS PLAN 2015/16 – 2017/18

- 5.1 **Appendix 1** contains the Pension Fund Business Plan 2015/16 – 2017/18 (the Business Plan).
- 5.2 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 needs of the Fund.
- 5.2 The sections of the Business Plan are:
- Overview of the Pension Fund
 - A summary of what must be done
 - A summary of successes and areas for improvement
 - The Fund's aims and objectives
 - Management of Risk Summary
 - Key stakeholders
 - An overview of the Fund's resources
 - How Performance is managed
 - The Fund's Action Plan, including performance indicators for 2015/16 – 2017/18.
- 5.3 The Action Plan (page 13 of Appendix) is split into three objectives which support the Strategic Aims and Objectives of the Fund. These are:
- (a) Set levels of employer contribution 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 compliantly.

6 IMPLICATIONS

6.1 Financial

There are no direct financial implications of this report, although some of the actions in the Business Plan may have some and these will be reported

as they arise.

6.2 Risk and Mitigations

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

6.3 Equalities

- (a) 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.

6.4 Acting Sustainably

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

6.5 Carbon Management

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

6.6 Rural Proofing

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

6.7 Changes to Scheme of Administration or Scheme of Delegation

- (a) No changes are required as a result of this report.

7 CONSULTATION

- 7.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, 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 will be communicated at the meeting.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Capital & Investments Team can also give information on other language translations as well as providing additional copies.

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