
BUSINESS PLAN PERFORMANCE UPDATE

Report by Chief Financial Officer

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION FUND BOARD

30 November 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report is to provide members of the Committee and the Board with an update on delivery of the actions within the approved Business Plan.**
- 1.2 The 2018/19 – 2020/21 Business Plan for the Pension Fund was approved by the Committee/Board on 14 June 2018. Included within the plan were key objectives and actions with target dates.
- 1.3 As part of the risk register update approved at Committee/Board on 13 September 2018 it was agreed a mid-year progress report on the business plan actions would be presented to Members at the December 2018 meeting and a further progress report and update at the June 2019 meeting.
- 1.4 There are 19 key tasks due for completion during 2018/19. Of these 9 are fully complete, 6 are on track to be completed by the approved target date, 2 missed their original target date but are now presented elsewhere on the agenda and 2 have been superseded and are no longer required.

2 RECOMMENDATIONS

- 2.1 **It is recommend that the Pension Fund Committee and Pension Board:-**
 - (a) **Notes the progress of the 2018/19 actions within the business plan**
 - (b) **Agrees a further update be presented at the June 2018 meeting**

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" and the reporting on compliance, as required by the LGPS Regulations, must be included in the Statement of Investment Principles.
- 3.2 Best practice indicates that having a business plan for the Pension Fund is a good way of demonstrating compliance with the "Myners Principle" that underpin effective decision making. The Pension Fund Committee and Board approved the 2018/19 – 2020/21 business plan on 14 June 2018.
- 3.3 As part of the risk register update approved by Committee/Board on 13 September 2018 it was agreed a progress report on the actions contained within the business plan would be reported to the Committee and Board at the December 2018 meeting

4 ACTION PLAN

- 4.1 The action plan detailed how the achievement of the objectives would be measured. Appendix 1 shows the actions to be completed in 2018/19 and provides an update on each individual measure.
- 4.2 There are 19 key tasks due for completion during 2018/19. Of these 9 are fully complete, 6 are on track to be completed by the approved target date, 2 missed target date but are now presented at November meeting and 2 are no longer required.
- 4.3 The action to develop and approve a communication strategy and action plan was due to be completed by 30 September 2018. However due to staff resource constraints the report was delayed until 30 November.
- 4.4 The AVC review had a target date of 30 June, however due to the additional work required to assess the possibility of employers introducing a Salary Share AVC the report was delayed until 30 November.
- 4.5 Following the review of the current AVC provider the 2 actions associated with procurement and implementation of a new AVC mandate are no longer required due to the recommendation to remain with the current supplier.

5 IMPLICATIONS

5.1 Financial

There are no financial implications to this report.

5.2 Risk and Mitigations

The monitoring of the delivery of actions within the Business Plan including identification of responsible officer and timescales, as set out in this report, is part of the governance framework to manage the operation of the Pension Fund and ensure effective decision making. Some of the actions are designed to directly enhance the management of risks.

5.3 Equalities

No equalities issues have been identified for the measures currently undertaken with the Business Plan. If any future measures identifies where there is a potential for the requirement for an Equalities Impact Assessment, 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 Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council have been consulted on the report and their comments have been incorporated.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers: Pension Fund Business Plan 2018/19 – 2020/21

Previous Minute Reference: Joint meeting Pension Fund Committee and Pension Fund Board, 14 June 18

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

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What we want to achieve ... (Objective)

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 a such a way that produces levels of employer contribution that are as stable as possible

How?			By whom?			
Action No.	How we will achieve our objective ... (Action)	Key Tasks	PI ref.	Owner	Target	Progress
P	1	Review Pension Strategies informed by 2017 and 2020 Triennial Valuation Results				
		Monitor and report investment performance	P1-A1	P&I Manager	Ongoing	Reports produce quarterly to Join Committee and Board. Performance and Sub Committee has met twice and scheduled for February.
		Approval and implementation of 2017 Triennial Valuation employer contribution results, including update of Funding Strategy Statement	P-1-C1 P-1-C2	HRSS Manager P&I Manager	30/6/18	All actions complete and approved at Committee on 14 June 2018

What we want to achieve ... (Objective)

Deliver a High Quality Pension Service to Members

How?				By whom?		
Action No.	How we will achieve our objective ... (Action)	Key Tasks	PI ref.	Owner	Target Date	Progress
P 2	Develop and Implement an effective Communication Strategy for the Pension Fund					
		Develop and gain approval Communication Strategy and Action Plan	P2-A1	HRSS Manager	30/9/18	Report presented to Committee on 30/11/18
		Continue to proactively manage and engage Pension Fund Employers	P2-A2	HRSS Manager	31/3/19	Meeting to be arranged for February 2019
		Review all forms and communication material, including annual benefit statements	P2-A3	HRSS Manager	31/7/18	Full review of 2018 benefit statements completed.
P 3	Review Additional Voluntary Contribution Scheme Provision					
		Conduct a strategic review of the AVC provision for the Fund	P3-A1	HRSS Manager/P&I Manager	30/6/18	Review completed and reported to Committee 30/11/18
		Procurement of AVC providers	P3-A2	HRSS Manager/P&I Manager	31/12/18	Review resulted in recommendation to remain with current provider
		Implementation and Promotion of AVC scheme	P3-A3	HRSS Manager	31/3/19	Action no longer required
P 4	Ensure successful admission of new Admitted Bodies as required					
		Develop formal policy for Admitted Bodies	P4-A1	HRSS Manager	31/3/19	Policy being developed for March 19 meeting.

Action No.	How we will achieve our objective ... (Action)	Key Tasks	PI ref.	Owner	Target Date	Progress
P 5	Ensure accuracy of Pension Records					
		Undertake full reconciliation of Guaranteed Minimum Pension (GMP) amounts between Fund and HMRC	P5-A1	HRSS Manager	31/12/18	Work progress on target
P 6	Implementation of self service facility					
P		Review of current Pensions Admin system	P6-A1	HRSS Manager	31/9/18	Review completed and contract of current provider extended

What we want to achieve ... (Objective)

Ensure that Scottish Borders Pension Fund is managed effectively, transparently and compliantly

How?			By whom?			
Action No.	How we will achieve our objective ... (Action)	Key Tasks	PI ref.	Owner	Target Date	Progress
P 7	Continue to develop robust governance and risk management					
		Review and update Governance Policy and Compliance Statement	P7-A1	C F Manager	30/6/18	Approved at Committee on 14 June
		Develop and deliver 2018/19 Training Programme	P7-A2 & A4	C & I Manager	30/6/18	Training plan approved by Committee 14 June, delivery in progress
		Review and update Environmental, Social and Governance section of Statement of Investment Principles.	P7-A5	C & I Manager	30/12/18	Updated policy submitted for approval at Committee 30 Nov 18
		Review and update Pensions Administration Strategy	P7-A3	HRSS Manager	30/9/18	Approved at Committee on 14 June
P 8	Review services provided externally to ensure that these represent best value to the Fund					
		Develop and implement an annual assessment cycle of Investment Adviser and Officer support to the Pension Fund Committee and Pension Fund Board	P8-A1	P & I Manager	31/3/19	Progressing
		Identify requirement for Actuarial Services and procure new contract	P8-A2	P&I Manager	30/12/18	Procurement outcome to be presented 30/11/18.