



To: **Pensions Committee**:- Councillor Malik, Convener; Councillor Reynolds, Vice Convener; Councillor Barney Crockett, the Lord Provost; Councillor Alan Donnelly, the Depute Provost; and Councillors Bell and Delaney; and 3 SNP Members to be advised.

**Pension Board**:- Mr A Walker, Chair; Ms M Hart, Vice Chair; Councillors Cowe and McKelvie; and Mr S Clunes, Ms M Lawrence and Mr K Masson and 1 vacancy (Aberdeen City Council).

Town House,  
ABERDEEN, 8 March 2018

## **PENSIONS COMMITTEE AND PENSION BOARD**

The Members of the **PENSIONS COMMITTEE AND PENSION BOARD** are requested to meet in **Committee Room 2 - Town House** on **FRIDAY, 16 MARCH 2018 at 10.30 am.**

FRASER BELL  
HEAD OF LEGAL AND DEMOCRATIC SERVICES

### **B U S I N E S S**

#### **DETERMINATION OF URGENT BUSINESS**

- 1 Determination of Urgent Business

#### **DETERMINATION OF EXEMPT BUSINESS**

- 2 Determination of Exempt Business

#### **DECLARATIONS OF INTEREST**

- 3 Declarations of Interest (Pages 5 - 6)

## **COMMITTEE BUSINESS**

- 4 Minute of Previous Meeting (Pages 7 - 14)

## **FINANCE, PERFORMANCE, RISK AND SERVICE WIDE ISSUES**

- 5 Internal Audit Plan 2018/19 - Report by Internal Audit (Pages 15 - 26)
- 6 Annual Audit Plan - Report by External Audit (Pages 27 – 40)
- 7 Local Government Pension Fund Overview - External Audit (Pages 41 - 46)
- 8 Budget Forecast and Projected Spend 2017-18 (Pages 47 - 54)
- 9 Update on the Draft Funding Strategy Statement (Pages 55 - 140)
- 10 Statement of Accounts 2017-18 Action Plan (Pages 141 - 144)
- 11 Investment Strategy Review 2018 (Pages 145 - 152)
- 12 Review of NESPF compliance with the Public Service Pensions Act 2013 (PSPA 2013) and Pension Regulator Requirements (Pages 153 - 162)

## **GENERAL BUSINESS**

- 13 Strategy (Pages 167 - 192)
- 14 2018/19 Meeting Dates (Pages 193 - 194)

## **EXEMPT BUSINESS - NOT FOR PUBLICATION**

- 15 Asset and Investment Manager Performance Report (Pages 195 - 214)
- 16 Investment Strategy Update (Pages 215 - 220)

Should you require any further information about this agenda, please contact Stephanie Dunsmuir, tel 01224 522503 or email [sdunsmuir@aberdeencity.gov.uk](mailto:sdunsmuir@aberdeencity.gov.uk)

## **PENSIONS COMMITTEE**

### **PURPOSE OF COMMITTEE**

To discharge all the functions and responsibilities relating to the Council's role as administering authority for the North East Scotland Pension Funds (NESPF) including:-

- 1.** overseeing the administration of the Local Government Pension Scheme (LGPS) in accordance with the LGPS (Scotland) Regulations 2014 and other relevant regulations,
- 2.** managing the investment of the NESPF in accordance with the LGPS (Management and Investment of Funds) (Scotland) Regulations 2010 (as amended);
- 3.** receiving regular training to enable the Committee members to make effective decisions under the LGPS Regulations, other relevant legislation and to make decisions in compliance with the Pensions Regulator Code of Practice; and
- 4.** working alongside the Fund's Local Pension Board, considering any pension compliance matters raised.

Where reference is made to 'the Fund', this refers to the Main Fund (the North East Scotland Pension Fund) and the Transport Fund (the Aberdeen City Council Transport Fund).

### **POWERS OF COMMITTEE**

#### **1. Risk Management**

The Committee will:

- 1.1** ensure effective risk management of the Fund;
- 1.2** set the investment objective and strategy in light of the Funds liabilities and appoint or remove Fund Managers or new vehicles in furtherance of the strategy; and
- 1.3** ensure that an effective system of internal financial control is maintained.

#### **2. Internal and External Audit**

The Committee will:

- 2.1** approve the annual audit plans; and
- 2.2** consider all reports prepared by the Council's Internal and External Auditors in relation to the Pension Fund.

### **3. Annual Report and Accounts**

The Committee will:

- 3.1 review and approve the annual report and accounting statement.

### **4. Legal obligations**

The Committee will ensure:

- 4.1 compliance with the Local Government Pension Scheme (Scotland) Regulations as amended and with all other legislation governing the administration of the Fund;  
and
- 4.2 adherence to the principles set out in the Pension Regulator's Code of Practice.

### **5. Scrutiny**

The Committee will:

- 5.1 monitor the performance of Fund Managers; and
- 5.2 determine applications for Admitted Body status.

#### **JOINT WORKING WITH OTHER COUNCIL COMMITTEES:**

The Committee, through its lead officers, will regularly consider key issues arising through other committees, in particular the City Growth and Resources and Staff Governance Committees.

#### **JOINT WORKING WITH NON COUNCIL BODIES:**

The Committee, through its lead officers, will work jointly with the Fund's Investment Consultant and Actuary in the management of the Fund and with external contacts such as the provider of the pensions IT programme.

**Executive Lead: Director of Resources**