

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 29 November 2019. Minute of Meeting of the PENSIONS COMMITTEE AND PENSION BOARD. Present:- Councillor Malik, Convener; Councillor Barney Crockett, the Lord Provost; and Councillors Bell, Cooke and Delaney (Pensions Committee); and Mr L Knox, Chairperson; Councillor McKelvie, Vice Chairperson; Councillor Allan; and Mr I Black, Mr K Luke, Mr N Stirling and Mr A Walker (Pension Board).

Also in attendance:- Jonathan Belford, Chief Officer – Finance; Laura Colliss, Pensions Manager; Graham Buntain, Investment Manager; and Colin Morrison, Senior Auditor, Audit Scotland.

The agenda and reports associated with this minute can be found [here](#).

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

NOTIFICATION OF URGENT BUSINESS

1. The Convener advised that he had accepted the following item onto the agenda as a matter of urgency in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973.

Item 10 – Asset and Investment Manager Performance Report

The Committee resolved:-

to note the decision of the Convener.

The Board resolved:-

to note the decision of the Committee.

DETERMINATION OF EXEMPT BUSINESS

2. The Committee was requested to determine that the following items of business which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973, be taken in private – items 9 (Procurement of Bulk Annuity for the ACC Transport Fund) and 10 (Asset and Investment Manager Performance Report).

The Committee resolved:-

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above-mentioned items so as to avoid disclosure of exempt information of the class described in paragraph 8 (item 9) and 6 (item 10).

The Board resolved:-

to note the decision of the Committee.

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DECLARATIONS OF INTEREST

3. There were no declarations of interest.

MINUTE OF PREVIOUS MEETING OF 13 SEPTEMBER 2019

4. The Committee had before it the minute of its previous meeting of 13 September 2019 for approval.

The Committee resolved:-

to approve the minute as a correct record.

The Board resolved:-

to note the decision of the Committee.

BUSINESS PLANNER

5. The Committee had before it the committee business planner as prepared by the Chief Officer – Governance.

The Committee resolved:-

- (i) to note the reason for the delay to item 7 (Strategic Infrastructure Priorities and the Scottish Local Government Pensions Scheme); and
(ii) to otherwise note the planner.

The Board resolved:-

to note the decision of the Committee.

STRATEGY - PC/NOV19/STRAT

6. With reference to article 9 of the minute of its previous meeting, the Committee had before it a report by the Director of Resources which provided an update on any changes to the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund strategies.

The report provided an update on Pension Fund Annual Benefit Statements; documents which had been recently updated, namely (a) the Statement of Investment Principles, (b) the Data Protection Policy, (c) the Reporting Breaches of Law Policy, (d) the Personal Data Breaches Procedure Notes for staff; and the Risk Register and new Risk Management Policy; information in respect of upcoming overseas travel to be

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approved by Committee; the engagement undertaken by the Pension Regulator in respect of current governance and administration standards and practices; the final report from the Pensions Institute on the Local Government Pension Scheme structure review; and the admission of Inspire Catering Scotland LLP to the NESPF.

Appended to the report was the Pension Administration Strategy Quarterly Update for Quarter 2 2019/2020; the document revisions summary; the risk register for November 2019; and the new Risk Management Policy.

The report recommended:-

that Committee –

- (a) approve the revisions to the scheme policy documents including creation of a new NESPF specific risk management policy (as set out in 3.9.8 in the report); and
- (b) approve the travel for one appointed Advisory Committee Officer to attend the following:-
 - Partners Group, Denver, March 2020
 - RCP, Chicago, June 2020
 - Harbourvest, Boston, May 2020
 - Harbourvest, Boston, December 2020

At this juncture, the Clerk advised that in accordance with the Pensions Committee Terms of Reference 5.2, the Committee required to determine applications for Admitted Body status, and therefore proposed that Committee also be asked to approve the admission of Inspire Catering Scotland LLP to the NESPF, as set out in 3.10.2 of the report.

The Committee resolved:-

- (i) to note the update provided by the Chief Officer – Finance in respect of the work being undertaken to resolve the issue of I-Connect events not being processed, and to request that an explanation of the issue be included in the next Strategy report to the March 2020 meeting if the issue was not resolved by that date;
- (ii) to request that officers investigate if the risk scoring process information in the risk register was correct and if not, to ask that updated information be circulated to Members via email outwith the meeting;
- (iii) to approve the admission of Inspire Catering Scotland LLP to the NESPF; and
- (iv) to otherwise approve the recommendations.

The Board resolved:-

to note the decision of the Committee.

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BUDGET FORECAST & PROJECTED SPEND - PC/NOV19/BUD

7. With reference to article 7 of the minute of its previous meeting, the Committee had before it a report by the Director of Resources which provided detail of the Management Expenses Budget / Forecast and Projected Spend 2019/20 for the North East Scotland Pension Fund (NESPF).

The report recommended:-

that Committee note the update on the NESPF Management Expenses Budget / Forecast and Projected Spend 2019/20, shown in Appendix 1 to the report.

The Committee resolved:-

to approve the recommendation.

The Board resolved:-

to note the decision of the Committee.

In accordance with the decision taken at article 2 of this minute, the following items of business were considered with the press and public excluded.

PROCUREMENT OF BULK ANNUITY FOR THE ACC TRANSPORT FUND - PC/NOV19/ACCTF

8. With reference to article 14 of the minute of its meeting of 14 June 2019, the Committee had before it a report by the Director of Resources which advised of a departure from the previously approved OJEU procurement process in respect of the Strathclyde No.3 Fund / Aberdeen City Council Transport Fund merger.

The report recommended:-

that Committee note the alternative procurement route being undertaken in respect of the bulk annuity, as detailed in 3.4 to 3.8 of the report.

The Committee resolved:-

to approve the recommendation.

The Board resolved:-

to note the decision of the Committee.

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The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency to enable the Committee to review the current investment performance for the Pension Fund and meet fiduciary duties.

ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT - PC/NOV/AIMPR

9. With reference to article 10 of the minute of its previous meeting, the Committee had before it a report by the Director of Resources which provided an overview of the investment activity of both the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund for the three month period ending 30 September 2019.

Appended to the report was information in respect of the NESPF and environmental, social and governance matters and responsible investment.

Members heard from Mr Graham Buntain who highlighted particular points of interest in the report.

The report recommended:-

that Committee note the contents of the report.

The Committee resolved:-

- (i) to request that officers investigate the query in respect of superfast chargers for electric vehicles; and
- (ii) to otherwise note the report.

The Board resolved:-

to note the decision of the Committee.

- **COUNCILLOR M. TAUQEER MALIK, Convener**