

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 11 December 2020. Minute of Meeting of the PENSIONS COMMITTEE AND PENSION BOARD. Present:- Councillor Malik, Convener; Councillor Reynolds, Vice-Convener; Councillor Barney Crockett, the Lord Provost; and Councillors Bell, Cooke, Delaney (to article 9), Henrickson, MacGregor and Wheeler (Pensions Committee); and Councillor McKelvie, Chairperson; Mr N Stirling, Vice Chairperson; Councillor Allan; Mr I Hodgson, Mr L Knox, Mr K Luke 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, 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.

DETERMINATION OF EXEMPT BUSINESS

1. 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 – item 9.1 (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 item so as to avoid disclosure of exempt information of the class described in paragraph 6.

The Board resolved:-

to note the decision of the Committee.

DECLARATIONS OF INTEREST

2. There were no declarations of interest.

MINUTE OF PREVIOUS MEETING OF 29 SEPTEMBER 2020

3. The Committee had before it the minute of its previous meeting of 29 September 2020.

The Committee resolved:-

to approve the minute as a correct record.

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The Board resolved:-

to note the decision of the Committee.

BUSINESS PLANNER

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

The Committee resolved:-

to note the planner.

The Board resolved:-

to note the decision of the Committee.

BUDGET/FORECAST & PROJECTED SPEND 2020/21 - PC/DEC20/BUD

5. The Committee had before it a report by the Chief Officer – Finance which provided details of the Management Expenses Budget/Forecast and Projected Spend 2020/21 for the North East Scotland Pension Fund (NESPF).

The report recommended:-

that the Committee note the update on the NESPF Management Expenses Budget/Forecast and Projected Spend 2020/21, shown in Appendix I.

The Committee resolved:-

to approve the recommendation.

The Board resolved:-

to note the decision of the Committee.

**TRIENNIAL VALUATION AND FUNDING STRATEGY STATEMENT -
PC/DEC20/VAL**

6. The Committee had before it a report by the Director of Resources which provided details of the 2020 triennial valuation for the North East Scotland Pension Fund including the proposed assumptions outlined in the Draft Funding Strategy Statement.

The report recommended:-

that Committee –

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- (a) agree the Funding Approach outlined in the 2020 Funding Strategy Statement including the assumptions used in the calculation of the Fund liabilities for the triennial valuation as at 31 March 2020; and
- (b) note the overall whole Fund valuation as at 31 March 2020 (using the proposed assumptions).

The Committee resolved:-

to approve the recommendations.

The Board resolved:-

to note the decision of the Committee.

STRATEGIC INFRASTRUCTURE PARTNERSHIP WITH ABERDEEN CITY COUNCIL - PC/DEC/INFRA

7. With reference to article 9 of the minute of its meeting of 15 March 2019, the Committee had before it a report by the Director of Resources following the instruction to the Chief Officer – Finance to explore the opportunities for a strategic partnership between the Council and the North East Scotland Pension Fund (NESPF) for the purposes of supporting local infrastructure investment, and report back on the feasibility.

The report recommended:-

that Committee note the content of the report and agree that the Pension Manager maintain a watching brief on the development of investor ready opportunities in the City Region area.

The Committee resolved:-

to approve the recommendation.

The Board resolved:-

to note the decision of the Committee.

STRATEGY - PC/DEC20/STRAT

8. The Committee had before it a report by the Director of Resources which informed the Committee of any changes to the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund.

The report provided an update on the Scottish Public Pensions Agency (SPPA) Consultation which sought views on changes to the Local Government Pension Scheme (LGPS) in Scotland in respect of the LGPS statutory underpin protection to

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remove unlawful discrimination found by the Courts in relation to public service pension scheme 'transitional protection' arrangements and included the consultation response prepared by officers for information; the position in relation to Pension Fund Annual Benefit Statements, and that there had been 99.74% compliance for all benefit statements in 19/20 (active, deferred and Councillors) which was a slight decrease from the reported figure of 99.86% in 18/19, although this was attributed to the current challenging circumstances as a result of the pandemic; information on the uptake of the online system instead of paper letters and statements; the on-time completion of the fit out of Marischal Square; the online annual Financial Forum with presentations provided by the Scheme Actuary, Mercer and Fund Officers; and the completion on time of the Aberdeen City Council Transport Buy-In.

The report recommended:-

that Committee note the final outcome of the annual benefit statement project, which was completed successfully, for reassurance (3.9.2 of the report refers).

The Committee resolved:-

to approve the recommendation.

The Board resolved:-

to note the decision of the Committee.

In accordance with the decision taken under article 1 of this minute, the following report was considered with the press and public excluded.

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

9. The Committee had before it a report by the Chief Officer - Finance 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 2020.

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

The Committee and Board heard from Mr Buntain, Investment Manager, in respect of the detail contained within the report. Mr Buntain highlighted that the ESG appendix now included additional carbon footprint data where this was available.

The report recommended:-

that the Committee note the contents of the report.

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The Committee resolved:

to note the report.

The Board resolved:-

to note the decision of the Committee.

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