

## PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 20 March 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 Cooke, Delaney, Henrickson, MacGregor and Wheeler (Pensions Committee); and Mr L Knox, Vice Chairperson and Mrs M Lawrence (Pension Board).

Also in attendance:- Laura Colliss, Pensions Manager; Graham Buntain, Investment Manager; Colin Harvey, Senior Auditor, Internal Audit; and Gillian Woolman, Assistant Director, Audit Scotland (via telephone).

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 item of business which contained exempt information as described in Schedule 7(A) of the Local Government (Scotland) Act 1973 be taken in private – item 11.1 (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

3. The Committee had before it the minute of its previous meeting of 29 November 2019.

**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.

**STRATEGY - PC/MAR20/STRAT**

5. With reference to article 6 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 (NESPF) and the Aberdeen City Council Transport Fund strategies.

The report provided an update on the First Bus merger/buy-in; the consultation from the Scottish Public Pensions Agency on changes to the valuation cycle; the Enhanced Administration to Payroll module into the Altair administration system test environment; the proposed launch of the new NESPF website in April / May 2020; training for Pension Fund staff; NESPF staffing and the current vacancies in the team; the Data Quality Improvement Plan; the annual document review; and finally that there had been no fraud, whistleblowing and breaches of the Bribery Act cases during 2019/20.

Appended to the report was the Pension Administration Strategy Quarterly Update for Quarter 3 2019/20; the Data Quality Improvement report update; and the risk register as at February 2020.

**The report recommended:-**

that Committee note the data quality scores reported to the Pensions Regulator and the update to the Data Quality Improvement Plan for reassurance.

**The Committee resolved:-**

- (i) to request that officers provide information to Members outwith the meeting by way of email on any implications for the option to suspend an employer's liability to pay an exit payment when managing the process of an employer exiting the scheme (paragraph 3.7.1.1. refers);

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- (ii) to suggest that a survey be undertaken of NESPF staff to ensure awareness of relevant policies;
- (ii) to request that officers circulate the Scottish Public Pensions Agency consultation response to Members by way of email outwith the meeting; and
- (iii) to otherwise approve the recommendation.

**The Board resolved:-**

to note the decision of the Committee.

**INTERNAL AUDIT PLAN 2020/2021 - IA/19/008**

6. The Committee had before it a report by the Chief Internal Auditor which sought approval of the Internal Audit plan for 2020/2021. The report advised that there would be an audit undertaken of the Pensions Payroll to provide assurance that the appropriate arrangements were in place to ensure the accuracy and appropriateness of payments made to scheme members.

**The report recommended:-**

that Committee approve the Internal Audit Plan for 2020/2021 as attached as Appendix 1 to the report.

**The Committee resolved:-**

to approve the recommendation.

**The Board resolved:-**

to note the decision of the Committee.

**EXTERNAL AUDIT ANNUAL AUDIT PLAN 2020/2021**

7. The Committee had before it a report by External Audit which set out the North East Scotland Pension Fund Annual Audit Plan 2019/20. The report highlighted key audit risks and the planned audit work in respect of these, and set out the 2019/20 reporting arrangements to the Committee.

The Committee heard from Ms Gillian Woolman, External Audit, on the main points from the report. Ms Woolman advised that the plan had been prepared before the current COVID-19 situation and that External Audit would work closely with officers in respect of any challenges and risks as a result. She noted that there could be a risk around the capability of organisations to prepare annual accounts and advised that the Auditor General had recently been involved in discussions with the Scottish Government in respect of this, and any audit and proposed dates in the plan would be flexible and pragmatic.

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**The Committee resolved:-**

to note the report.

**The Board resolved:-**

to note the decision of the Committee.

**LOCAL GOVERNMENT PENSION SCHEME SUPPLEMENT TO THE LOCAL GOVERNMENT FINANCIAL OVERVIEW**

8. The Committee had before it the Local Government in Scotland: Financial Overview 2018/19 - Local Government Pension Funds Supplement for information. Ms Woolman advised that the document was produced by a central team and although some of the information might be out of date, she hoped it was helpful for Members to show the context for the North East of Scotland Pension Fund and to provide a foundation to monitor local government performance in future.

**The Committee resolved:-**

to note the document.

**The Board resolved:-**

to note the decision of the Committee.

**BUDGET FORECAST & PROJECTED SPEND 2019/20 - PC/MAR20/BUD**

9. 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 details of the management expenses budget/forecast and projected spend 2019/29 for the North East Scotland Pension Fund (NESPF).

**The report recommended:-**

that Committee note the update on the NESPF management expenses budget/forecast and project spend 2019/20 as attached to the report at Appendix 1.

**The Committee resolved:-**

to approve the recommendation.

**The Board resolved:-**

to note the decision of the Committee.

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**STATEMENT OF ACCOUNTS 2019/20 - ACTION PLAN - PC/MAR20/ACCOUNTS**

**10.** The Committee had before it a report by the Director of Resources which set out high-level information and key dates in relation to the 2019/20 Statement of Accounts, including any linkages to the plans and timetables of the Council's External Auditors. The report noted that the draft Statement of Accounts 2019/20 would be reported to the Committee at its meeting in June.

**The report recommended:-**

that the Committee note the contents of the report for assurance.

**The Committee resolved:-**

to note the report.

**The Board resolved:-**

to note the decision of the Committee.

**REVIEW OF COMPLIANCE WITH THE PUBLIC SERVICE PENSIONS ACT 2013 AND PENSION REGULATOR REQUIREMENTS - PC/MAR20/GOV**

**11.** The Committee had before it a report by the Director of Resources which provided a review of the North East Scotland Pension Fund's compliance with the Public Service Pensions Act 2013 and the Pensions Regulator requirements during the financial year 2019/20, including Pension Board membership and meeting attendance; training attendance; the costs of operation; Elected Member and Board knowledge and understanding; scheme record keeping; risk management; conflicts of interest; and reporting of breaches of law.

The report also advised that a working group had been established by the Scheme Advisory Board to scope out the next stages for considering the four options for the Scheme Review, however the timetable for the scoping work was currently unknown.

**The report recommended:-**

that Committee note the assurance provided in the report.

**The Committee resolved:-**

to note the report.

**The Board resolved:-**

to note the decision of the Committee.

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

**ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT -  
PC/MAR20/AIMPR**

**12.** 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 overview of the investment activity of both the North East Scotland Pension Fund (NESPF) and the Aberdeen City Council Transport Fund for the three month period ending 31 December 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, Investment Manager, who highlighted particular points of interest in the report and provided a current update on the Fund position.

**The report recommended:-**

that Committee note the contents of the report.

**The Committee resolved:-**

to note the report.

**The Board resolved:-**

to note the decision of the Committee.

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