

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 23 June 2023. Minute of Meeting of the PENSIONS COMMITTEE AND PENSION BOARD. Present:- Councillor Cooke, Convener; Councillor MacGregor, Vice-Convener; Councillor Steve Delaney, the Depute Provost, (as substitute for Councillor McLellan); Councillors Alphonse, Cross, Davidson, Henrickson, McRae and van Sweeden (Pensions Committee). Mr I Hodgson, Chairperson; Mrs M Lawrence, Vice Chairperson; Councillors Leadbitter, Mennie and Smith; Mr N Stirling, Mr A Walker and Mr G Walters (Pension Board).

Also in attendance:- Jonathan Belford, Chief Officer – Finance; Laura Colliss, Pensions Manager; Graham Buntain, Investment Manager; Jamie Dale, Internal Audit; and Michael Oliphant and Deirdre Sim, External Audit.

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 (Item 11.1).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. There were no declarations of interest nor transparency statements made.

MINUTE OF PREVIOUS MEETING OF 24 MARCH 2023

3. The Committee had before it the minute of its previous meeting of 24 March 2023 for approval.

The Committee resolved:-

to approve the minute as a correct record.

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COMMITTEE BUSINESS PLANNER

4. The Committee had before it the planner of committee business as prepared by the Interim Chief Officer – Governance (Legal).

The Committee resolved:-

- (i) to note the reason outlined in the planner for the delay to item 12 (Pensions Committee Annual Effectiveness Report); and
- (ii) to otherwise note the planner.

INTERNAL AUDIT ANNUAL REPORT 2022/2023 - IA/24/001

5. The Committee had before it a report by the Chief Internal Auditor which set out Internal Audit's Annual Report for the North East Scotland Pension Fund for 2022/23.

Members heard from Mr Jamie Dale, Chief Internal Auditor, in respect of the report. Mr Dale confirmed that there had been positive engagement with management in relation to the closure of actions.

The report recommended:-

that the Committee –

- (a) note the Annual Report for 2022/23;
- (b) note that the Chief Internal Auditor confirmed the organisational independence of Internal Audit;
- (c) note that there had been no limitation to the scope of Internal Audit work during 2022/23; and
- (d) note the progress that management had made with implementing recommendations agreed in Internal Audit reports.

The Committee resolved:-

to approve the recommendations.

UNAUDITED ANNUAL REPORT AND ACCOUNTS - PC/JUN23/ARA

6. The Committee had before it a report by the Director of Resources which presented the unaudited Annual Report and Accounts for the North East Scotland Pension Fund (NESPF).

Members heard from Mr Jonathan Belford, Chief Officer – Finance, in respect of the report. Mr Belford noted that it was the first annual report and accounts since the merger of the Transport Fund, and acknowledged the huge amount of effort it had taken the team to prepare the report. He stated that he was hugely proud of the NESPF team, particularly given the disruption over the last few years. He noted the modest reduction in the value of assets, but highlighted that this was not unexpected given the performance

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reporting throughout the year. He concluded by advising that the audited annual report and accounts would be presented to Committee in September.

Members then asked questions of officers in respect of the report. During the discussion, Councillor Smith highlighted on page 42, the report reflected that training had been given to newly Elected Members and it had been clarified that this referred to the Committee members. He suggested that it would be helpful for he and Councillor Leadbitter to receive the same training.

The report recommended:-

that the Committee review and consider the unaudited Annual Report and Accounts for the North East Scotland Pension Fund.

The Committee resolved:-

- (i) to note that officers would make contact with Board Members who may not have received the initial training following the May 2022 elections, as well as ensuring there was clarity as to how training was defined in reports to identify if it was for Committee members only;
- (ii) to thank the NESPF team for their efforts in preparing the draft annual accounts and report; and
- (iii) to note the report.

STRATEGY - PC/JUNE23/STRAT

7. The Committee had before it a report by the Director of Resources which provided an update and recommendations (if applicable) on changes to the North East Scotland Pension Fund.

The report provided an update on the McCloud Local Government Pension Scheme (LGPS) Remedy Regulations which were expected in October 2023; the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate; notification of 32 breaches of law recorded in the NESPF breaches register during 2022/23, the majority of which had been scheme employers failing to meet their statutory obligations e.g., late payment of pensions contributions; and information on two further participating employers who had exited the Fund over the last quarter.

It was further noted that the following documents had been updated:-

- Training Policy (Clarification on training expectations)
- Governance Policy (Update to Delegated Powers Appendix)
- Overpayment of Pension Policy (Minor grammatical amendments)
- Risk Management Policy (Development of section on Risk Appetite as per audit recommendations)
- Myners Principles (Minor design and grammatical amendments)

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- Appointment Process for Local Pension Board (Minor design and grammatical amendments)
- Data Protection Policy (Minor grammatical amendments)
- Communications Policy (Minor procedural updates)
- Systems Access Policy (Minor edit to password requirements)

The report recommended:-

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

The Committee resolved:-

to note the report.

TRAINING - PC/JUNE23/TRA

8. The Committee had before it a report by the Director of Resources which provided details of the training plan (2023/24) for the Pensions Committee and Pension Board of the North East Scotland Pension Fund.

The report recommended:-

that the Committee –

- (a) approve the travel of members to attend external training opportunities, as set out in the attached report; and
- (b) note the requirement to have completed the Pensions Regulator online training and the Hymans online training in line with the Training Policy.

The Committee resolved:-

to approve the recommendations.

In accordance with the decision taken under article 1, the following item was considered with the press and public excluded.

**ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT -
PC/JUNE23/AIMPR**

9. The Committee had before it a report by the Director of Resources which provided a review of the investment activity of the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund for the three month period ending 31 March 2023.

Members heard from Mr Buntain in respect of the report and asked a number of questions.

The report recommended:-

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that the Committee note the content of the reports for assurance.

The Committee resolved:-

to note the report.

- **COUNCILLOR JOHN COOKE, Convener**