

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 20 June 2025. Minute of Meeting of the PENSIONS COMMITTEE AND PENSION BOARD. Present:- Councillor Cooke, Convener; Councillor MacGregor, Vice-Convener; and Councillors Davidson, Henrickson and van Sweeden (Pensions Committee); Councillor Smith, Chairperson; Mr G Walters, Vice Chairperson; Councillor Gordon and Mrs M Lawrence, Mr N Stirling, Mr S Thompson and Mr A Walker (Pension Board).

Also in attendance:- Jonathan Belford, Chief Officer – Finance; Laura Colliss, Pension Fund Manager; Graham Buntain, Investment Manager; and Jamie Dale, Chief Internal Auditor, Internal Audit.

The agenda and reports associated with this minute can be located [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 – Items 11.1 (Investment Strategy) and 11.2 (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 classes described in paragraphs 6 and 8.

MINUTE OF PREVIOUS MEETING

2. The Committee had before it the minute of its previous meeting of 21 March 2025 for approval.

The Committee resolved:-

to approve the minute as a correct record.

BUSINESS PLANNER

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

The Committee resolved:-

to note the business planner.

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INTERNAL AUDIT ANNUAL REPORT 2024/25 - IA/25/007

4. 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 2024/25.

The report recommended:-

that the Committee –

- (a) note the Annual Report for 2024/25;
- (b) note that the Chief Internal Auditor had confirmed the organisational independence of Internal Audit;
- (c) note that there had been no limitation to the scope of Internal Audit work during 2024/25; and
- (d) note the progress that management had made with implementing recommendations agreed in Internal Audit reports.

The Committee resolved:-

to approve the recommendations.

PENSION FUND PAYROLL - IA/25/008

5. The Committee had before it a report by the Chief Internal Auditor which presented the planned Internal Audit report on the Pension Fund Payroll.

The report recommended:-

that the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

Members asked a number of questions of Mr Dale and officers.

The Committee resolved:-

to note the report.

DRAFT NESPF ANNUAL REPORT & ACCOUNTS - PC/JUN25/ARA

6. The Committee had before it a report by the Chief Officer – Finance which presented the unaudited Annual Report and Accounts for the North East Scotland Pension Fund.

The Committee heard from Mr Belford in respect of the report and asked a number of questions.

The report recommended:-

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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 the comment from the Convener that the Mercer end-date should be included at Section 3 – Administration 2024/25 (page 6 of the report) and
- (ii) to approve the recommendation.

NOMINATIONS TO LAPFF EXECUTIVE COMMITTEE - PC/JUN25/LAPFF

7. The Committee had before it a report by the Chief Officer – Finance which sought approval for nomination of an Elected Member or Fund Officer representative to the Local Authority Pension Fund Forum (LAPFF) on behalf of the North East Scotland Pension Fund.

The report recommended:-

that the Committee –

- (a) agree whether to nominate a Member of the Committee or a Fund Officer to the LAPFF Executive; and
- (b) that if a nomination was to be made, consider those nominated and agree a nominee; and
- (c) if the nominee was accepted by LAPFF, approve the detailed travel costs associated with the membership of the Executive.

The Committee resolved:-

- (i) to nominate Laura Colliss to the LAPFF Executive; and
- (ii) to approve the detailed travel costs associated with the membership of the Executive, should the nomination be accepted.

STRATEGY - PC/JUN25/STRAT

8. The Committee had before it a report by the Chief Officer – Finance which provided various updates and recommendations (if applicable) to changes to the North East Scotland Pension Fund.

The report provided an update on the recent IT issues which had led to a delay in the issuing of payslips to around 26,000 pensioners; and an issue which had arisen whereby the software provider for the BACs payments had advised that the software used for sending the Fund's BACs payments would no longer work following an update at the end of April, without a change being made. The Fund had notified the Council's IT service and made requests to allow the new software to be downloaded and installed, however as of the time of writing the report, the issue had still to be resolved. This had therefore been reflected in the Risk Register at Appendix 1 of the report. An update was also provided on the Public Service Pension Schemes (Rectification of Unlawful

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Discrimination)(Tax) Regulations 2025 which came into force on 24 April 2025; as well as updates on breaches of law, a review of AVC arrangements and the updated Termination Policy.

The report advised that the following documents had also been updated:-

- Fire Safety (Local) Policy (minor amendments for formatting/clarity, and addition of new Teams Channel)
- Communications Policy (new section added covering Social Media, amended frequency of Committee & Board bulletin to quarterly and re-inserted same for Employer bulletin, added other publications from website)
- Corporate Governance & Corporate Social Responsibility Policy (updated reference to latest fiduciary duty guidance, updated Fund value and reference to voting, both passive and active, being carried out in-house)
- Compliance with Myners Principles (expanded CIPFA acronym for clarity, added references to Appointment and Management of Advisers and Service Providers Policy, updated frequency of Employer Bulletin to quarterly, updated documents available on website)
- Record Keeping Policy (minor grammatical amendments, updated PAS version)
- Data Protection Policy (very minor amendments for clarification/grammar)
- Training Policy (very minor amendments for clarification on training requirements and grammar)
- Overpayments Policy (added in paragraph covering ex Strathclyde Firstbus members, minor corrections for clarification)
- Systems Access Policy (updated Altair password section and appendix)
- Statement of Investment Principles (minor updates to direct investment figure, voting paragraph and additional footnote to table)

The report recommended:-

that the Committee –

- (a) approve the updates to the Fund policy documents as set out in 6.2 of the main report;
- (b) approve the updated Termination Policy as set out in 7.2 of the main report; and
- (c) note the remainder of the report for reassurance.

The Committee resolved:-

- (i) in relation to the table on page 198 of the pack (Key Administration Tasks), to note the comments from Members that the layout was confusing and that officers would review the presentation for future reports; and
- (ii) to approve the recommendations.

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TRAINING - PC/JUN25/TRA

9. The Committee had before it a report by the Chief Officer – Finance which provided details of the training plan (2025/26) 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;
- (b) approve the updated Training Policy (as per Appendix I of the report); and
- (c) 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:-

- (i) to note the comments from Members that it would be helpful if there was there was a follow-up provided in the system after any webinars, to allow learning to be checked and that officers would feed this back to the supplier;
- (ii) to note the additional comments from Members around the user interface and frustrations caused with blank screens and courses not being available and to request that this also be fed back to the supplier;
- (iii) to note that if Members had any specific training needs, that they should feed this back to officers; and
- (iv) to approve the recommendations.

In accordance with the decision taken at article 1, the following items of business were considered with the press and public excluded from the meeting.

INVESTMENT STRATEGY - PC/JUNE25/INVSTRAT

10. The Committee had before it a report by the Chief Officer – Finance which provided an update on recent re-balancing changes made.

Members heard from Mr Buntain in respect of the report.

The report recommended:-

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

The Committee resolved:-

to note the report.

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**ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT -
PC/JUN25/AIMPR**

11. The Committee had before it a report by the Chief Officer – Finance which set out the investment activity of the North East Scotland Pension Fund for the three month period ending 31 March 2025.

Members heard from Mr Buntain in respect of the report.

The report recommended:-

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

The Committee resolved:-

to note the report.

- **COUNCILLOR JOHN COOKE, Convener**