

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 21 March 2025. Minute of Meeting of the PENSIONS COMMITTEE AND PENSION BOARD. Present:- Councillor Cooke, Convener; Councillor MacGregor, Vice-Convener; and Councillors Davidson, Henrickson, Massey, and van Sweeden (Pensions Committee); Councillor Smith, Chairperson; Mr G Walters, Vice Chairperson; Councillors Gordon and Mennie; 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; Jamie Dale, Internal Audit; and Anne MacDonald, 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.

ANNOUNCEMENTS

1. The Convener began by advising Members that Councillor Crockett was now back on the Pensions Committee, as the new Independent Member on the Committee.

He further advised that the Fund had won the Pension Administration award at the Pension Age Awards on 4 March 2025, and stated that he wished to record congratulations to the team on their success.

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 11.1 (Investment Strategy Update) 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

3. The Committee had before it the minute of its previous meeting of 13 December 2024 for approval.

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The Committee resolved:-

to approve the minute as a correct record.

BUSINESS PLANNER

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

Members heard from Jamie Dale, Internal Audit, who advised that in relation to item 8 (Pension Fund Payroll) fieldwork had been completed and the draft report was in the process of being finalised and would therefore be available for the June meeting.

The Committee resolved:-

to note the business planner.

INTERNAL AUDIT UPDATE REPORT - IA/25/004

5. The Committee had before it a report by the Chief Internal Auditor which provided an update on Internal Audit's work since the last report to Committee. The report provided details of the progress against the approved Internal Audit plans, audit recommendations follow up, and other relevant matters.

The Committee heard from Mr Dale, Chief Internal Auditor, that he had no concerns with the report and that the NESPF were always quick to close off any recommendations.

The report recommended:-

that the Committee –

- (a) note the progress of the Internal Audit plan; and
- (b) note the progress that management had made with implementing recommendations agreed in Internal Audit reports.

The Committee resolved:-

to approve the recommendations.

INTERNAL AUDIT PLAN 2025-28 - IA/25/005

6. The Committee had before it a report by the Chief Internal Auditor which sought approval of the Internal Audit plan for 2025-28.

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

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The report recommended:-

that Committee approve the attached Internal Audit Plan for 2025-28.

The Committee resolved:-

- (i) to note that Members could contact Mr Dale with any suggestions of areas they wished Internal Audit to consider; and
- (ii) to approve the recommendation.

EXTERNAL AUDIT - ANNUAL AUDIT PLAN 2024/25

7. The Committee had before it a report by External Audit which provided an overview of the planned scope and timing of the 2024/25 audit of North East Scotland Pension Fund's (the Fund's) annual report and accounts. It outlined the audit work planned to meet the audit requirements set out in auditing standards and the Code of Audit Practice, including supplementary guidance.

Members heard from Anne MacDonald, Senior Audit Manager, Audit Scotland, in respect of the report and asked a number of questions.

The Committee resolved:-

- (i) to note that Audit Scotland would provide information to Members on the number of auditor experts that External Audit could approach when seeking advice to inform planned audit procedures; and
- (ii) to note the report.

STATEMENT OF ACCOUNTS 2024/25 - ACTION PLAN - PC/MAR25/ACCOUNTS

8. The Committee had before it a report by the Chief Officer – Finance which provided high level information and key dates in relation to the 2024/25 Statement of Accounts, including linkages to the plans and timetables of the Council's External Auditors.

The report recommended:-

that the Committee note the report for reassurance.

The Committee resolved:-

to note the report.

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STRATEGY - PC/MAR25/STRAT

9. The Committee had before it a report by the Chief Officer – Finance which provided an update on recent developments and made recommendations (if applicable) to any changes required to the North East Scotland Pension Fund.

The report provided an update on Local Government Pension Scheme (LGPS) pensions and Career Average Revalued Earnings (CARE) pots; the LGPS (Remediable Service)(Scotland)(Miscellaneous Amendment) Regulations 2024 which would amend the underpin rules; staff training; fraud, whistleblowing and breaches of the Bribery Act (none noted); details of the appointment of Hymans Robertson LLP as the new scheme actuary; the exit of Sanctuary Scotland from the scheme; and the latest position with pensions dashboards.

The report advised that changes had also been made to the following documents:-

- Governance Policy (some minor grammatical corrections, updates to Terms of Reference following annual governance reviews)
- Risk Management Policy (replaced references to tPR's CoP14 to GCoP)
- Cyber Security Policy (minor amendments to improve clarify, again references updated from CoP14 to CGoP, updated names of current external services providers)
- Local Contingency Plan (Added in references to new cyber security measures e.g. member contact details extracted monthly, updated wording across the document for clarity and staffing updates)
- Statement of Investment Principles (revised wording on exclusion policy)

The report recommended:-

that the Committee –

- (a) note the updates to the Fund Policy documents (item 6.2 of the main report);
- (b) note the update to the Authorised Signatory List (item 6.6 of the main report); and
- (c) note the remainder of the report for reassurance.

Members asked a number of questions on the report in respect of the risk register, relating to Committee membership, the NESPF operating model and cyber security.

The Committee resolved:-

- (i) to note that information would be circulated to Members in the event of any future changes to Pension Committee and Board membership;
- (ii) to note that there would be a report to a future meeting on the operating model for the Fund; and
- (iii) to approve the recommendations.

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REVIEW OF NESPF COMPLIANCE WITH THE PUBLIC SERVICE PENSIONS ACT 2013 (PSPA 2013) AND PENSION REGULATOR REQUIREMENTS - PC/MAR25/GOV

10. The Committee had before it a report by the Chief Officer – Finance which provided a review of the North East Scotland Pension Fund's (the "Fund") compliance with the Public Service Pensions Act 2013 ("PSPA") and the Pensions Regulator's ("tPR") requirements during the financial year 2024/25.

The report recommended:-

that the Committee note the assurance provided in the main report.

The Committee resolved:-

- (i) to note that officers would contact the Pensions Regulator to advise that members of the Board wished to meet with a representative; and
- (ii) to note the report.

In accordance with the decision taken under article 2 above, the following items were considered with the press and public excluded.

INVESTMENT STRATEGY UPDATE - PC/MAR25/INVSTRAT

11. The Committee had before it a report by the Chief Officer – Finance which provide an update in respect of a re-balancing change; information on the NESPF's first Task Force on Climate-related Financial Disclosures (TCFD) publication; and an update on a voting change involving passive holdings.

The report recommended:-

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

Members heard from Mr Buntain, Investment Manager, in respect of the report.

The Committee resolved:-

- (i) to note that officers would provide information to Members outwith the meeting on the date that the re-balancing came into effect; and
- (ii) to note the report.

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**ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT -
PC/MAR25/AIMPR**

12. The Committee had before it a report by the Executive Director Corporate Services which presented a review of the investment activity of the North East Scotland Pension Fund for the three month period ending 31 December 2024.

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

The report recommended:-

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

The Committee resolved:-

- (i) to note that officers would follow up on the discussion around electric planes and whether any of the Fund's assets were looking into this; and
- (ii) to note the report.

- COUNCILLOR JOHN COOKE, Convener