

PENSIONS COMMITTEE AND PENSION BOARD

ABERDEEN, 12 September 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); and Councillor Gordon, Vice Chairperson; Councillor Smith, Mrs M Lawrence, Mr N Stirling, Mr A Walker and Mr G Walters (Pension Board).

Also in attendance:- Jonathan Belford, Chief Officer – Finance; Laura Colliss, Pension Fund Manager; Graham Buntain, Investment Manager; and Anne MacDonald, Senior Audit Manager, External 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.

ANNOUNCEMENTS

1. The Convener welcomed everyone to the meeting and congratulated Mr Walker and Councillor Gordon on being appointed as the new Chair and Vice Chair of the Pension Board at the recent annual Board meeting.

He further advised that the Fund had been short listed for two awards at the LAPF Investment Awards to be held on 2nd October, namely:

- Investment Innovation
- Pension Administration

Finally he advised that the Fund had also been short listed for a number of awards at the LGC on 28th November, namely:

- ESG Innovation
- Fund of the Year (Large)
- Innovation in Administration
- Outstanding Individual Contribution - LGPS, Jenna Watt
- Rising Star – LGPS, Noah Cuthbert and Sean Hunt

The Committee resolved:-

to congratulate the staff involved for the nominations.

DETERMINATION OF EXEMPT BUSINESS

2. 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 12.1 (Asset and Investment Manager Performance Report).

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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 classes described in paragraph 6.

MINUTE OF PREVIOUS MEETING

3. The Committee had before it the minute of its previous meeting of 20 June 2025 for approval.

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 Chief Officer – Governance.

The Committee resolved:-

to note the planner.

NESPF ANNUAL AUDIT REPORT AND COVERING LETTER - REPORT BY EXTERNAL AUDIT

5. The Committee had before it a report by the External Auditor on the 2023/2024 Annual Audit of the North East Scotland Pension Fund. The report summarised the findings from the 2024/25 annual audit of the North East Scotland Pension Fund (the Fund).

The Annual Audit Report comprised:

- significant matters arising from the audit of the fund's annual report and accounts
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - financial management
 - financial sustainability
 - vision, leadership, governance and use of resources to improve outcomes
- conclusions on the administering authority's arrangements related to the pension fund for meeting its Best Value duties.

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The audit concluded that the accounts were free from material misstatement. Audit adjustments required to correct the financial statements had been properly reflected in the audited annual report and accounts.

The Fund had broadly effective and appropriate arrangements in place to secure best value and cover the wider scope audit areas i.e. Financial Management; Financial Sustainability; Vision, Leadership and Governance; and Use of Resources to Improve Outcomes. The report noted that governance could be further strengthened if the long-term vacancies in the membership of the Pensions Committee were filled.

The Committee heard in detail from Ms MacDonald in respect of the report.

Members asked a number of questions of Ms MacDonald and officers.

The Committee resolved:-
to note the report.

**CONSIDERATION AND SIGNING OF AUDITED ANNUAL REPORT AND ACCOUNTS
- PC/SEPT25/ARA**

6. The Committee had before it a report by the Chief Officer – Finance which presented the Audited Annual Report and Accounts for the North East Scotland Pension Fund (NESPF) for consideration and signing.

Members heard from Mr Belford in respect of the report, who also noted his thanks to the team for their work in preparing the accounts.

The report recommended:-
that the Committee –

- (a) consider and approve the Audited Annual Report and Accounts for the North East Scotland Pension Fund; and
- (b) instruct the Chief Officer – Finance, as the Local Government (Scotland) Act 1973 – Section 95 Officer, to sign the accounts on behalf of the Fund.

The Committee resolved:-

- (i) in relation to page 68, to note that officers would look to provide clarity around the management expenses in future reports;
- (ii) in relation to the query from Members around benchmarking of the Fund performance with other Funds, to note that officers could provide data on this outwith the meeting, but with the caveat that the figures were not necessarily comparing like for like due to different investment strategies;
- (iii) in relation to the query highlighting the significantly higher figures for private equity management fees, to note that officers would look into this further with the Accounting team and provide clarity to Members outwith the meeting via service update; and

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- (iv) to approve the recommendations.

STRATEGY - PC/SEPT25/STRAT

7. 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 Pension Fund Annual Benefit Statements; amendments to the Local Government Pension Scheme (Scotland) Regulations 2018; an update on the Pension Board, its annual report and details of the newly appointed Chair (Alan Walker) and Vice Chair (Councillor Gordon); and updates in relation to Mental Health Aberdeen and Robert Gordon's College exiting the Scheme.

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

- Appointment of Advisers (minor amendments to remove reference to Head of Commercial and Procurement, update to officers with access to Amelior, minor corrections to improve clarity)
- Governance Compliance Statement (minor corrections for typo's and grammar, amended Terms of Reference review date)

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; and
- (b) note the remainder of the report for reassurance.

The Committee resolved:-

- (i) in relation to the impact of the amendments to the Local Government Pension Scheme, to note that officers would share a copy of the submission with Members;
- (ii) to note that officers could discuss with authorities such as the Scottish Public Pensions Agency and Central Government any potential changes to regulations which would be helpful to the Scheme, noting for example that it could be a more expensive scheme for employers to participate in; and
- (iii) to approve the recommendations.

MCLOUD DETERMINATION - PC/SEPT25/MCLOUD

8. The Committee had before it a report by the Chief Officer – Finance which provided an update on the Fund's decision to exercise its flexibility under the Local Government Pension Scheme (Remediable Service)(Scotland) Regulations 2023 to make a determination to extend the implementation phase of the McCloud Remedy to 31 August 2026.

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The report recommended:-

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

The Committee resolved:-

to note the report.

INVESTMENT STRATEGY - PC/SEPT25/INVSTRAT

9. The Committee had before it a report by the Chief Officer – Finance which provided an update with regard to the Principles for Responsible Investment (PRI) submission.

The report recommended:-

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

The Committee resolved:-

to note the report.

In accordance with the decision taken at article 2, the following item of business was considered with the press and public excluded from the meeting.

ASSET AND INVESTMENT MANAGER PERFORMANCE REPORT - PC/SEPT25/AIMPR

10. 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 30 June 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:-

- (i) to note that officers would look to reduce the number of acronyms used in future reports;
- (ii) in relation to the tables on page 272 of the agenda, to note that officers would look to include data on annual performance, as well as quarterly in future reports;
- (iii) to note that the Investment Manager would liaise with Councillor Massey outwith the meeting to discuss some of detail in respect of page 273 of the agenda;

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- (iv) in relation to page 284 of the agenda, to note that officers would update Members as this matter progressed; and
 - (v) to note the report.
- **COUNCILLOR JOHN COOKE, Convener**