

## ABERDEEN CITY COUNCIL

### PENSIONS PANEL

ABERDEEN, 8<sup>th</sup> September 2014 – Minute of Meeting of the **PENSIONS PANEL**.

Present Councillor B Crockett, Convener, Councillor A Donnelly, Councillor A Malone, Councillor J Noble and Cllr J Reynolds.

In Attendance Mr S Whyte, Head of Finance, Ms J MacEachran, Head of Legal & Democratic Services, Ms L Goodchild, Pensions Manager, Mr S Boyle, External Audit, Ms A MacDonald, External Audit and Ms F Smith, Governance Support Officer.

### EXEMPT BUSINESS

1. The Panel 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:-

- 11) Governance Report
- 12) Investment & Accounting Report
- 13) Aberdeen City Council Transport Fund Report

#### **The Panel 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 items 11 - 13 so as to avoid disclosure of exempt information of the classes described in paragraph 8 (Items 12 & 13) and paragraph 12 (Item 11).

### APOLOGIES FOR ABSENCE

2. There were no apologies for absence received.

### MINUTE OF MEETING OF THE PENSIONS PANEL HELD ON 16<sup>TH</sup> JUNE 2014

3. The Panel had before it, and approved as a correct record, the Minute of the Pensions Panel meeting of 16<sup>th</sup> June 2014.

#### **The Panel resolved:**

To approve the minute.

### MATTERS ARISING

5. There were no matters arising

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## **ADMINISTRATION AND TECHNICAL & COMMUNICATIONS**

6. The Principal Pensions Officer (Benefits) and the Principal Pensions Officer (Technical & Communications) were present at the meeting for this item and provided a presentation detailing the role and systems used by both teams.

Thereafter, the Panel had before it a report from the Head of Finance which provided an overview of the administration of the scheme by the Pensions Section.

The Pensions Manager introduced the report and advised that the report contained a summary of activity over the three reporting areas namely: Benefit Administration; Technical & Communication matters and Administration Performance statistics.

### **The Panel Resolved:**

To note the report.

## **NORTH EAST SCOTLAND PENSION FUNDS - REPORT TO THOSE CHARGED WITH GOVERNANCE ON THE 2013/14 AUDIT**

7. The Panel had before it a report from the External Auditor which set out, for the Pensions Panel consideration, the matters arising from the audit of the financial statements for 2013/14 that require to be reported to the Panel under ISA 260.

The External Auditor introduced the report and advised that ISA 260 requires auditors to raise specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action to be taken.

Thereafter the report detailed the matters which required to be reported, these being: conduct and scope of the audit, fraud and audit opinion and representations. The report further details the significant findings from the audit and the resolutions identified for each finding.

### **The Panel Resolved:**

To note the report.

## **NORTH EAST SCOTLAND PENSION FUNDS – INTERIM REPORT 2013/14 AUDIT**

8. The Panel had before it a report from the External Auditor which provided a summary of the findings of the audit work carried out in the period to June 2014 as part of the 2013/14 audit of North East Scotland Pension Funds.

The External Auditor introduced the report and advised that the audit work conducted covered the areas of Governance and Accountability and Key

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Financial Controls. The report set out an action plan which detailed the high level risks that were identified in the audit and the steps being taken by officers in addressing these. The report noted that the majority of actions have been completed with only three outstanding.

**The Panel resolved:**

To note the report.

**NEW LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) 2015**

9. The Panel had before it a report from the Head of Finance which provided an update on the progress made in implementing the new Local Government Pension Scheme.

The Pensions Manager introduced the report and provided an overview of the content to Members. It was noted that the new LGPS (Scotland) will take effect from 1<sup>st</sup> April 2015 and will replace the existing scheme. The report provided updates in respect of the Head of Agreement, the New Scheme Implementation Project and a Project Plan update.

**The Panel resolved:**

To note the report.

**ADMITTED BODY STATUS – SANCTUARY HOUSING AND SANCTUARY SCOTLAND**

10. The Panel had before it a report from the Head of Finance which notified of an application from Sanctuary Group for admitted body status for Sanctuary Scotland.

The Pensions Manager introduced the report and advised of the application received and advised that the Scheme Actuary is currently assessing the bond requirement.

**The Panel resolved:**

- To admit Sanctuary Scotland into the North East Scotland Pension Fund, transferring existing staff employed by Tenant First Housing Co-operative.
- To otherwise note the report.

**EXEMPT INFORMATION**

Prior to considering the remaining items of business the Board resolved that in terms of Section 50A (4) of the Local Government (Scotland) Act 1973 that the public be excluded from the meeting during the consideration on the items on the grounds that it was likely in view of the nature of proceedings that if members of the public were present during the consideration of these items that there

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would be a disclosure to them of exempt information as defined in paragraphs 8 & 12 of part 1 of Schedule 7A of the said Act.

## **GOVERNANCE REPORT**

11. **Councillor Donnelly declared an interest in part this item as a result of his role as Trustee of Oakbank School. He considered that the nature of his interest required him to withdraw from the meeting, which he did for the part of this item relating to Fund Employers being considered.**

The Panel had before it a report from the Head of Finance which provided an update to Member on the Fund's compliance with the Pensions Fund's Governance policies.

The Pensions Manager introduced the report and advised that it provided an overview in respect of the funds governance. The report set out recommendations in respect of the tendering for an Investment Consultant and summarised and issues relating to admitted bodies. The report further provided a Funding update as at 30<sup>th</sup> June 2014 and outlined current and future training and conference opportunities.

### **The Panel Resolved:**

- To approve the tendering of Investment Consultant services
- To otherwise note the report.

## **INVESTMENT AND ACCOUNTING REPORT**

12. The Panel had before it a report from the Head of Finance which provided an update in respect of the investment activity of the Fund to 30<sup>th</sup> June 2014.

The Pensions Manager introduced the report and advised that it provided an overview of investment performance and asset allocation for the preceding quarter. Further the report outlined an updated debtors analysis and details of current termination valuations provided.

### **The Panel resolved:**

- To approve the tendering of Global Custody services
- To otherwise note the report.

## **ABERDEEN CITY COUNCIL TRANSPORT FUND**

13. The Panel had before it a report from the Head of Finance which advised of the outcome of the de-risking tender exercise for the Aberdeen City Council Transport Fund.
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The Pensions Manager introduced the report and provided an overview of the outcome of the tender exercise.

**The Panel Resolved:**

To approve the making of an investment management agreement in respect of a long term de-risking strategy for the Aberdeen City Transport Fund.

**COUNCILLOR B CROCKETT** - Convenor

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