

ABERDEEN CITY COUNCIL

PENSIONS COMMITTEE

ABERDEEN, 9TH MARCH 2015 – Minute of Meeting of the PENSIONS COMMITTEE.

Present Cllr B Crockett, Convener, Cllr A Donnelly, Cllr J Kiddie, Cllr A Malone, Cllr N MacGregor, Cllr J Noble, Cllr J Reynolds and Cllr W Young.

In Attendance Mr S Whyte, Head of Finance, Ms L Goodchild, Pensions Manager, Mr S Boyle, External Audit, Ms A MacDonald, External Audit, Ms D Sim, External Audit and Ms F Smith, Governance Support Officer.

INTRODUCTORY REMARKS

The Convener welcomed all Members to the Pensions Committee meeting. He thanked Members who had supported his application to the LAPFF Executive Committee and advised the Committee that he was successfully elected.

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:-

- 13) Fund Performance Report
- 14) Transport Fund 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 items 9 & 10 so as to avoid disclosure of exempt information of the classes described in paragraph 8.

APOLOGIES FOR ABSENCE

2. Apologies for absence were received from Cllr J Laing.

MINUTE OF THE MEETING OF THE PENSIONS PANEL HELD ON 24TH NOVEMBER 2014

3. The Committee had before it, and approved as a correct record, the Minute of the Pensions Panel meeting of 24th November 2014.

The Committee resolved:

To approve the minute.

MATTERS ARISING

4. There were no matters arising

GOVERNANCE REPORT

5. 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 current Fund Risk Register was appended to the report and reviewed by Members.

The Committee Resolved:

To note the report.

CORPORATE GOVERNANCE AND SRI

6. The Panel had before it a report from the Head of Finance which reviewed the Pensions Fund's Corporate Governance and Social Responsible Investment activity for the three month period ending 31st December 2014.

The Pensions Manager introduced the report and advised that it provided an overview of corporate governance activity, including quarterly voting statistics, actions undertaken through the Local Authority Pension Fund Forum (LAPFF) and recent actions undertaken through the United Nation's Principles for Responsible Investment.

Members noted that it was pleasing that the NESPF continues to have a major role in the LAPFF following the election of the Convener to the Executive Committee.

The Committee resolved:

To note the report.

NEW LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) 2015

7. 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 1st 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 Committee resolved:

To note the report.

PENSION COMMITTEE STRUCTURE REPORT

8. The Committee had before it a report from the Head of Finance which provided an opportunity to review the governance arrangements of the NESPF.

The Pensions Manager introduced the report and advised that, following the implementation of the Pensions Board governance arrangements as a result of the new LGPS Scheme, Officers have undertaken a review of the entire governance structure of the fund, in particular of the role and sustainability of the Joint Investment Advisory Committee (JIAC).

The purpose of the JIAC, at the time it was established, was to afford an opportunity for stakeholders other than Aberdeen City Council to be involved in the funds governance. It was recognised that the Pensions Board will now afford this opportunity.

Following discussion of the various options outlined in the report, the Pensions Committee agreed to disband the JIAC with immediate effect.

The Committee resolved:

To disband the Joint Investment Advisory Committee with immediate effect.

OUTTURN AND FORECAST REPORT

9. The Committee had before it a report from the Head of Finance which provided details of the management expenses forecast for the NESPF for 2014/15 and which provided a proposed 2015/16 forecast.

The Pensions Manager introduced the report and advised that it promotes accountability and gives reassurance to the stakeholders in the Pension Fund as well as ensuring transparency in costs from the administrator of the fund.

The Committee resolved:

To note the report.

STATEMENT OF ACCOUNTS 2014/15 – ACTION PLAN

10. The Committee had before it a report from the Head of Finance which provides high level information and key dates in relation to the 2014/15 Statement of Accounts including linkages to the plans and timetables of the Council's External Auditors.

The Pensions Manager introduced the report and provided an overview of the audit timetable.

The Committee resolved:

To note the report.

ANNUAL AUDIT PLAN FOR THE 2014/15 AUDIT OF THE NORTH EAST SCOTLAND PENSION FUND ACCOUNTS

11. The Panel had before it a report from the External Auditor which provided an overview of the audit work to be undertaken during the 2014/15 audit of the North East Scotland Pension Fund.

The External Auditor introduced the report and drew the Committee's attention to the international audit standards which govern the audit work, the impact of new regulations on the audit and the time frame in which the audit report will be delivered.

Councillor Donnelly and Councillor Young declared an interest in part of this item as a result of their roles as Trustees of Oakbank School. Both Members considered that the nature of their interest required them to withdraw from the meeting, which they did whilst the External Auditor responded to Members questions on Fund Employers.

In responding to Members questions in regard to issues relating to fund employers, the External Auditor noted that the coverage of fund employers in this report relates to how these have been referred to in previous reports and is to indicate that the External Auditor is monitoring progress in this area.

The Committee Resolved:

To note the report.

REQUEST FOR ADMITTED BODY STATUS

12. The Committee had before it a report from the Head of Finance which invited it to consider an application from Citymoves Dance Agency for admitted body status, within the Local Government Pension Scheme administered by Aberdeen City Council.

The Pensions Manager introduced the report and, following consideration, the Committee agree to approve the application subject to a provision of a guarantee by Aberdeen City Council.

The Committee resolved:

To agree to allow the employees of Citymoves Dance Agency to participate in the Local Government Pension Scheme administered by Aberdeen City Council subject to a provision of a guarantee by Aberdeen City Council.

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 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.

FUND PERFORMANCE REPORT

13. The Panel had before it a report from the Head of Finance which reviewed the investment activity of the NESPF and the Transport Fund for the three month period ending 31st December 2014.

The Pensions Manager introduced the report and advised that it provided a market summary and an overview of investment performance by Fund Manager for the preceding quarter. There followed detailed consideration by the Committee of the performance of each Manager.

The Committee resolved:

To note the report.

ABERDEEN CITY COUNCIL TRANSPORT FUND – UPDATE ON DE-RISKING STRATEGY

14. The Committee had before it a report which provided an update on the progress of work to implement the full De- Risking strategy for the Aberdeen City Council Transport Fund.

The Pensions Manager introduced the report and responded thereafter to Members questions.

The Committee resolved:

To note the report.

COUNCILLOR B CROCKETT - Convenor
