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THE FIFE COUNCIL - PENSIONS COMMITTEE – REMOTE MEETING

30th June, 2022

2.00 p.m. – 5.00 p.m.

PRESENT: Committee - Councillors Dave Dempsey (Convener), Sean Dillon, Stefan Hoggan-Radu, Lynn Mowatt, Sarah Neal, Nicola Patrick, Gordon Pryde and Jonny Tepp.

Fife Pension Board – Councillors Tom Adams and Lynn Ballantyne-Wardlaw, Ian Dawson, Robert Graham, Ross Hugh, John Wincott and Vicki Wyse.

ATTENDING: Eileen Rowand, Executive Director Finance and Corporate Services, Elaine Muir, Head of Finance, Laura C Robertson, Finance Operations Manager, Pamela Redpath, Service Manager - Audit and Risk Management Services, Carolyn Ward, Audit Team Leader, Anne Bence, Accountant, Karen Balfour, Lead Officer - Banking and Investment, Finance and Corporate Services; Helena Couperwhite, Manager - Committee Services, and Wendy MacGregor, Committee Officer, Legal and Democratic Services.

ALSO IN ATTENDANCE: Tim Bridle, Audit Manager, Audit Scotland; Albert Chen, Portfolio Manager and Bruce Miller, Chief Investment Officer, Lothian Pension Fund; and Clare Scott, Independent Professional Observer.

APOLOGIES FOR ABSENCE: Committee – Councillor Colin Davidson.

Fife Pension Board - Colin Paterson.

1. DECLARATIONS OF INTEREST

No declarations of interest were submitted in terms of Standing Order 7.1.

2. MEMBERSHIP OF THE COMMITTEE

Decision

The Committee noted its membership as detailed on the Agenda and welcomed new members to the Fife Pension Board - Councillors Tom Adams and Lynn Ballantyne-Wardlaw; and Ian Dawson, Unison.

3. MINUTE

The Committee considered:-

- (a) the minute of the Superannuation Fund and Pensions Committee of 29th March, 2022

Decision

The Committee agreed to approve the minute.

(b)/

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- (b) comments arising from the Fife Pension Board meeting of 29th March, 2022.

Decision

The Committee noted:-

- (1) the comments arising from the meeting on 29th March, 2022; and
- (2) the verbal updates provided by the Head of Finance on areas within the Fife Pension Board comments.

4. UPDATE ON 2021/22 AUDIT PLAN AND 2021/22 ISSUED AUDIT REPORTS

The Committee considered a report by the Service Manager, Audit and Risk Management Services providing an update on progress towards delivering the 2021/22 Audit Plan as well as a summary of findings from the Internal Audit Reports finalised since the last meeting of the Superannuation Fund and Pensions Committee.

Decision

The Committee noted the contents of the report which included a summary of findings as detailed at Appendix 1 of the report.

5. ANNUAL AUDIT REPORT 2021/22

The Committee considered a report by the Service Manager, Audit and Risk Management Services providing an independent annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control framework and a summary of the key activities of Audit Services during the period from which the opinion was derived.

Decision

The Committee considered and noted the contents of the report.

6. PENSION FUND ANNUAL GOVERNANCE STATEMENT 2021/22

The Committee considered a report by the Chief Executive providing background information on the processes adopted for preparing the Pension Fund Annual Governance Statement, for inclusion in the Pension Fund Annual Report and the annual accounts. A copy of the Corporate Governance Statement was appended to the report for Committee's approval.

Decision

The Committee:-

- (1) noted the contents of the report; and
- (2) approved the draft Pension Fund Annual Governance Statement 2021/22.

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7. FIFE PENSION FUND - ANNUAL REPORT AND ACCOUNTS 2020/21

The Committee considered a report by the Executive Director, Finance and Corporate Services including the unaudited Annual Report and Accounts for Fife Pension Fund for the financial year 2021/22.

Decision

The Committee considered and noted the Fife Pension Fund unaudited Annual Report and Accounts 2021/22.

The Committee adjourned at 3.45 p.m.

The Committee reconvened at 3.55 p.m.

8. PENSIONS ADMINISTRATION - PERFORMANCE MONITORING REPORT

The Committee considered a report by the Head of Finance providing monitoring information on the performance of the Pensions Administration Team, including an update on other activities undertaken by the Team.

Decision

The Committee:-

- (1) acknowledged the level of annual performance relative to the target and to the previous year; and
- (2) noted the range of additional activities carried out by the team over the last quarter.

9. RISK MANAGEMENT - QUARTERLY REVIEW

The Committee considered a report by the Head of Finance providing a quarterly update on the Risk Register for Fife Pension Fund. The risks associated with the Fund had been reviewed and updated scores provided to reflect the internal controls in place.

Decision

The Committee:-

- (1) reviewed and considered the contents of the report; and
- (2) noted that the risks would be reviewed on a regular basis and reports would be submitted to the Pensions Committee on a quarterly basis.

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10. PENSION FUND TRAINING AND DEVELOPMENT

The Committee considered a report by the Head of Finance to review the Training Policy, performance and progress in respect of implementation of the training policy for members of the Pensions Committee and Fife Pension Board. Highlighted in the report was the requirement for all Pension Committee and Board members to undertake training in line with the agreed policy, including the Pension Regulator online learning toolkit, within the next six months.

Decision

The Committee:-

- (1) noted that a varied training programme had been provided over the last financial year on a range of topics;
- (2) approved the continued approach to training; and
- (3) agreed to attend a minimum of 14 hours of training and to provide details of attendance, including the completion of the Pension Regulators toolkit, within six months of their appointment to the Pensions Committee and Fife Pension Board.

11. PENSION FUND COMMITTEE WORKPLAN

The Committee considered a report by the Head of Finance providing an overview of the proposed business for future meetings of the Pensions Committee and the annual cycle.

Decision

The Committee noted the contents of the agenda planning document.

12. PENSION FUND - INVESTMENT UPDATE

The Committee resolved, under Section 50(a)(4) of the Local Government (Scotland) Act 1973, as amended, to exclude the public and press from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph(s) 6 of part 1 of schedule 7a of the Act.

The Committee considered a report by the Head of Finance providing an overview of the Fund's investments at 31st March, 2022. A verbal update of manager monitoring activity and of investment strategy was provided at the meeting on 30th June, 2022.

Decision

The Committee noted:-

- (1) the Fund's strategic asset allocation and current allocations relative to target;
- (2)/

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- (2) the value of the Fund's assets on 31st March, 2022 after returning -3.0% over the quarter;
 - (3) that the Fund was making steady progress towards its target allocations, and;
 - (4) that longer term absolute returns were strong and relative returns were above both the asset and liability benchmarks.
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