

THE FIFE COUNCIL - PENSIONS COMMITTEE – BLENDED MEETING

Committee Room 2, Fife House, North Street, Glenrothes

13 December 2024

10.00 am – 12.45 pm

PRESENT: **Committee** - Councillors Dave Dempsey (Convener), David Alexander, Naz Anis-Miah, James Calder, Jane Ann Liston, Sarah Neal, Nicola Patrick and Gordon Pryde.

Fife Pension Board – Ross Hugh (Chair), Councillors Tom Adam and Lynn Ballantyne-Wardlaw, Robert Graham, Colin Paterson, Thomas Templeman and Vicki Wyse.

ATTENDING: Elaine Muir, Head of Finance, Laura Robertson, Pensions Service Manager, John Mackie, Team Manager - Transactions Team, Pamela Redpath, Service Manager – Audit and Risk Management Services, Helena Couperwhite, Services Manager – Committee Services and Wendy MacGregor, Committee Officer, Legal and Democratic Services, Finance and Corporate Services.

ALSO ATTENDING: Emanuel Bouquet, Chief Investment Officer and Albert Chen, Portfolio Manager, Lothian Pension Fund; and Clare Scott, Independent Professional Observer.

APOLOGY FOR ABSENCE: Councillor Colin Davidson.

132. DECLARATIONS OF INTEREST

No declarations of interest were submitted in terms of Standing Order No. 22.

133. MINUTES

The committee considered:-

- (a) the minute of the meeting of the Pensions committee of 24 September 2024.

Arising from the minute, in relation to para. 122 (1) - Statement of Investment Principles (SIP) - and inconsistencies between the SIP and Investment Strategy Report, the Pensions Services Manager provided an update, having considered the content of the SIP in comparison with the Investment Strategy report, and advised, in her opinion, that there were no concerns with the overall meaning from each document. It was noted that the documents had different style layouts with the SIP being more technical whereas the Investment Strategy was transparent. The Head of Finance would consider any changes required to the SIP prior to the document being published on the website.

2024 PEC 60

Decision

The committee:

- (1) noted the update; and
 - (2) otherwise approved the minute.
- (b) the minute of the pre-meeting of the Fife Pension Board of 23 September 2024.

Decision

The committee noted the minute.

- (c) the minute of the post-meeting of the Fife Pension Board of 24 September 2024.

Decision

The committee noted the minute.

- (d) the minute of the meeting of the Pensions committee on 30 September 2024.

Decision

The committee approved the minute.

- (e) the minute of the pre-meeting of the Fife Pension Board of 25 September 2024.

Decision

The committee noted the minute.

- (f) the minute of the post-meeting of the Fife Pension Board of 30 September 2024.

Decision

The committee noted the minute.

134. FIFE PENSION BOARD - REVISED CONSTITUTION

The committee considered a report by the Executive Director (Finance and Corporate Services) seeking approval of the revised Fife Pension Board Constitution, to remove the distinction between representatives from Admitted and Scheduled employer bodies to allow two representatives from either employer body to submit nominations to fill the vacancy, noting that this would not affect the overall membership of Fife Pension Board. The committee also noted that Fife Pension Board had requested the appointment of a Depute Chair, whose appointment would rotate in alignment with the Pension Board Chair appointment.

Decision

The committee:-

- (1) approved the revised Fife Pension Board Constitution detailed at Appendix 1 to the report, including the appointment of a Depute Chair and that authority would be delegated to the Head of Legal and Democratic Services to make any consequential changes that may arise with any supporting documents; and
- (2) noted that further communication would be take place between the Services Manager – Committee Services and Fife Pension Board to consider further amendments that may be required such as production of Standing Orders for the Pension Board and to consider the requirement for Board members to be quorate and present during the Pensions Committee meetings.

135. GENERAL CODE OF PRACTICE ASSESSMENT

The committee considered a report by the Head of Finance providing an update on the assessment of compliance with the requirements of the Pension Regulator’s General Code of Practice and an overview of the current position, as well as outlining the next steps in the process.

Decision

The committee:-

- (1) noted the contents of the report;
- (2) agreed the assessment completed as the baseline for future assessments;
- (3) noted that all actions would be documented into an action plan and requested the action plan be submitted to a future meeting of the committee when this was available; and
- (4) noted that the compliance requirements would be reviewed on a regular basis and reports brought forward on an annual basis unless there were any exceptions.

136. PENSION FUND BUDGETARY CONTROL

The committee considered a report by the Head of Finance providing details of the projected outturn of the Pension Fund for 2024-25.

Decision

The committee noted:-

- (1) the projected outturn for 2024-25; and
- (2) that further reports in relation to the financial position of the fund would be brought forward on a bi-annual basis.

137. FIFE PENSION FUND - BUSINESS PLAN UPDATE AND ADMINISTRATION ACTIVITY TO 30 SEPTEMBER 2024

The committee considered a report by the Head of Finance providing an update on the activities undertaken by the wider pension team during the second quarter of 2024-25. The report was organised into three sections and provided an update on the development activities identified in the Business Plan, followed by an update on administration activity undertaken. The report concluded with more in-depth consideration of the performance of the Pensions Administration team by detailing agreed key performance indicators.

Decision

The committee noted:-

- (1) the progress made on the key Business Plan activities;
- (2) the range of additional activities carried out by the team over the last quarter; and
- (3) the level of quarterly performance relative to the target and to the same quarter of the previous year as detailed in Appendix 1 of the report.

Councillor James Calder left the meeting during consideration of the above item.

The committee adjourned at 11.35 am and reconvened at 11.45 am.

138. 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 were reviewed and updated scores provided to reflect the internal controls in place.

Decision

The committee noted:-

- (1) the contents of the report; and
- (2) that the risks were reviewed on a regular basis and reports would be brought forward on a quarterly basis

139. PENSIONS COMMITTEE WORKPLAN AND TRAINING PLAN

The committee considered a report by the Head of Finance providing an overview of the proposed agendas for future meetings of the Pensions Committee and the annual cycle. Also highlighted were the proposed internal training sessions designed to complement committee meetings and allow members more time to explore topics in depth.

Decision

The committee noted: -

- (1) the content of the agenda planning document; and
- (2) the scheduled training dates.

140. FIFE 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 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 30 September 2024.

Decision

The committee noted:-

- (1) the Fund's strategic asset allocation and current allocations relative to target;
- (2) the value of the Fund's assets as at 30 September 2024;
- (3) the Fund's strategic policy group allocations were within the permitted allocation ranges; and
- (4) that longer term absolute returns were strong and relative returns were above the liability benchmark.