

**THE FIFE COUNCIL - PENSIONS COMMITTEE – BLENDED MEETING**

**Committee Room 2, Floor 5, Fife House, North Street, Glenrothes**

**14 December 2023**

**10.00 am – 12.40 pm**

**PRESENT:** **Committee** - Councillors David Dempsey (Convener), David Alexander, Naz Anis-Miah, Colin Davidson, Jane Ann Liston, Sarah Neal, Nicola Patrick, Gordon Pryde and Jonny Tepp.

**Fife Pension Board** – Councillors Tom Adams and Lynn Ballantyne-Wardlaw, Robert Graham (Chairperson), Gail Dunn, Ross Hugh, Thomas Templeman, Colin Paterson and Vicki Wyse.

**ATTENDING:** Elaine Muir, Head of Finance; Laura Robertson, Finance Operations Manager; Pamela Redpath, Service Manager - Audit and Risk Management Services; John Mackie, Team Manager - Transactions Team; Karen Balfour, Lead Officer - Banking and Investment; Anne Bence, Accountant; Operations Pensions; Helena Couperwhite, Manager - Committee Services and Wendy MacGregor, Committee Officer, Committee Services, Legal and Democratic Services.

**ALSO ATTENDING:** Robert Bilton and Grace Flanagan, Actuary, Hymans Robertson LLP; Bruce Miller and Emmanuel Bocquet, Lothian Pension Fund; Karen Jones, Azets (external Auditor) and Clare Scott, Independent Professional Observer.

**80. DECLARATIONS OF INTEREST**

Vicki Wyse, Fife Pension Board made a transparency statement relating to Para 89 – Fife Pension Fund - Actuarial Valuation 31 March 2023 - Draft Funding Strategy - as during the consultation period she would be representing her employer in the negotiation and discussion process regarding employer contribution rates.

Clare Scott, Independent Professional Observer reminded employer representatives on Fife Pensions Board and elected members on the Pensions committee, the principles of the Funding Strategy Statement would set the pensions contributions that Fife Council would pay and their focus during the meeting would be to look after the interests of the Fife Pensions Fund.

**81. CHANGE TO MEMBERSHIP OF THE COMMITTEE AND FIFE PENSION BOARD**

The Convener, on behalf of the committee, noted the update to the membership of both this committee and Fife Pension Board and welcomed Councillor Naz Anis-Miah and Thomas Templeman to their first meeting. Appreciation was extended to Councillor Lynn Mowatt, previous committee member and Ian Dawson previous member of Fife Pension Board, for their effort and commitment to the committee during their time in post.

**82. MINUTE**

- (a) The committee considered the minute of the meeting of the Pensions committee on 28 September 2023.

**Decision**

The committee agreed to approve the minute.

- (b) The committee considered the minute of the meeting of the Fife Pension Board on 28 September 2023.

**Decision**

The committee noted:-

- (1) the contents of the minute;
- (2) that Councillor Lynne Ballantyne-Wardlaw (employer representative) had been appointed as Chairperson of Fife Pensions Board; and
- (3) that Robert Graham (employee representative) and Vicki Wyse (admitted body representative) had been appointed to the position of Joint Secretaries on Fife Pensions Board.

**83. PENSION FUND BUDGETARY CONTROL**

The committee considered a report from the Head of Finance providing details of the projected outturn of the Pension Fund for 2023-24.

**Decision**

The committee noted:-

- (1) the projected outturn for 2023-24; and
- (2) that further reports in relation to the financial position of the Fund would be brought forward on a bi-annual basis.

**84. FIFE PENSION FUND - BUSINESS PLAN UPDATE TO 30 SEPTEMBER 2023**

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 2023-24. The report was organised into 3 sections and included updates on the development activities identified in the Business Plan and administration activity undertaken. The report concluded with more in-depth consideration of the performance of the Pensions Administration team and provided details of the agreed key performance indicators.

**Decision**

The committee:-

- (1) acknowledged the progress made on the key activities identified in the Business Plan 2023-24;

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

### **85. FIFE PENSION BOARD NOMINATIONS AND APPOINTMENTS PROCESS AND CONFLICT OF INTEREST GUIDANCE**

The committee considered a report by the Executive Director of Finance and Corporate Services seeking approval of the Pension Board Nominations and Appointments process and associated Conflicts of Interest Guidance.

#### **Decision**

The committee agreed to approve the Pension Board Nominations and Appointments process and associated Conflicts of Interest Guidance, set out in the Appendix 1 to the report, with the condition that the wording at the beginning of the second paragraph on page 32 of the report be amended to read 'Trade unions may withdraw and replace their nominated representatives from time to time by giving reasonable notice to the Scheme manager'.

### **86. PENSIONS COMMITTEE WORKPLAN**

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.

#### **Decision**

The committee noted the contents of the report and scheduled work programme.

### **87. RISK MANAGEMENT UPDATE**

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 noted:-

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

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 items 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.

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Prior to consideration of the following report, the Convener advised of the retirement of Bruce Miller, Lothian Pension Fund and wished Bruce well for his future, his successor Emmanuel Bocquet was welcomed to the meeting.

### **88. FIFE PENSION FUND INVESTMENT UPDATE**

The committee considered a report by the Head of Finance providing an overview of the Fund's investments at 30 September 2023. A verbal update of manager monitoring activity and of investment strategy was provided at the meeting.

#### **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 on 30 September 2023 after returning -0.4% over the quarter;
- (3) that 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

Following consideration of this item, the committee adjourned at 11.25 am and reconvened at 11.35 am.

### **89. FIFE PENSION FUND – ACTUARIAL VALUATION 31 MARCH 2023 – DRAFT FUNDING STRATEGY STATEMENT**

The committee considered a report by the Head of Finance outlining progress in relation to the triennial actuarial valuation and providing members with output from the current stage, the draft Funding Strategy Statement. The report provided details of the Draft Funding Strategy Statement which had been prepared alongside the 2023 Actuarial Valuation. The statement provided details on funding issues, contribution rates for individual employers, funding strategy and investment strategy and statutory reporting arrangements.

#### **Decision**

The committee:-

- (1) considered and acknowledged the content of the draft Funding Strategy Statement; and
- (2) agreed to endorse the draft Funding Strategy Statement which would be issued as part of the consultation process to each employer within the Fife Pension Fund.