

THE FIFE COUNCIL - PENSIONS COMMITTEE – REMOTE MEETING

13th December, 2022

10.00 a.m. – 11.46 a.m.

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

Fife Pension Board - Lynn Ballantyne-Wardlaw, Ian Dawson, Gail Dunn, Robert Graham, Ross Hugh and Colin Paterson.

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

ALSO IN ATTENDANCE: Robert Bilton, Actuary, Hymans Robertson LLP, Brian Howarth, Audit Director, Tim Bridle, Audit Manager, Lauryn Graham, Auditor, Audit Scotland, Albert Chen, Portfolio Manager and Bruce Miller, Chief Investment Officer, Lothian Pension Fund.

APOLOGIES FOR ABSENCE: Committee – Councillor Colin Davidson.

Fife Pension Board - Councillor Tom Adams and Vicki Wyse.

30. DECLARATIONS OF INTEREST

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

31. FIFE PENSION FUND ANNUAL REPORT AND AUDITED ACCOUNTS

The Committee considered a report by the Head of Finance providing the Audited Accounts for Fife Pension Fund for 2021-22 and the Annual Audit Report. A brief response to the External Auditor's report to Fife Council and the Controller of Audit was included in the report.

Decision

The Committee:-

(1) agreed to approve the Audited Accounts for signature; and noted the positive report by Audit Scotland, the Council's External Auditors and the management responses;

(2)/

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- (2) extended thanks and appreciation to the Pensions and Investment Teams, Finance Service and other members of staff across Fife Council and Audit Scotland involved in compiling the Audited Accounts; and
- (3) acknowledged the significant approach to partnership working from Audit Scotland, across the six-year period as external auditors for Fife Council, and wished the officers from Audit Scotland well in their future endeavors.

32. FIFE PENSION FUND COMMUNICATION POLICY

The Committee considered a report by the Head of Finance providing an update on the Communication Policy for Fife Pension Fund. The document would replace the previous policy agreed by the Committee in reflecting the increased use of digital communications and blended workstyle adopted by the Team.

Decision

The Committee approved the revised Communication Policy.

33. FUNDING STRATEGY STATEMENT - UPATED

The Committee considered a joint report by the Head of Finance and the Actuary, Hymans Robertson, updating the Fund's current Funding Strategy Statement to reflect changes in regulations, with effect from 1st June, 2022.

Decision

The Committee agreed to adopt the revised Funding Strategy Statement.

Councillor Jonny Tepp left the meeting during consideration of the above item.

34. PENSION 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 and updating on other activities undertaken by the Team over the quarter to 30th September, 2022.

Decision

The Committee noted:-

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

35./

35. POST AUDIT REVIEW (PAR) REPORT

The Committee considered a report by the Service Manager, Audit and Risk Management Services, providing an update on progress towards implementing internal audit recommendations previously reported to and agreed by Management.

Decision

The Committee noted the contents of the report and the progress made in implementing recommendations.

36. NATIONAL FRAUD INITIATIVE (NFI) IN SCOTLAND

The Committee considered a report by the Service Manager, Audit and Risk Management Services providing Audit Scotland's national report on the 2020/21 NFI exercise and updating on local planning and preparations for the 2022/23 NFI exercise.

Decision

The Committee:-

- (1) noted Audit Scotland's national report, summarising the outcomes from the 2020/21 National Fraud Initiative (NFI) exercise, published August 2022 at Appendix A to the report, in particular page 10 of the national report, which related to Pensions;
- (2) noted the progress to date relating to the 2022/23 NFI exercise; and
- (3) noted the completed NFI Self-Appraisal Checklist, for those charged with governance, at Appendix B to the report.

The Committee agreed to resolve, 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.

37. PENSION FUND - INVESTMENT UPDATE

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

Decision

The Committee noted:-

- (1) that 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 30th September, 2022 after returning - 1.9% over the quarter; that the Fund was making steady progress towards its target allocations; and
 - (3) that longer term absolute returns were strong and relative returns were above both the asset and liability benchmarks.
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