

**THE FIFE COUNCIL - SUPERANNUATION FUND AND PENSIONS COMMITTEE AND
FIFE PENSION BOARD – REMOTE MEETING**

29th June, 2021

2.00 p.m. – 5.10 p.m.

PRESENT: Committee - Councillors Dave Dempsey (Convener), David Barratt, Bobby Clelland, Colin Davidson, Mino Manekshaw, Alistair Suttie and Jonny Tepp.

Fife Pension Board – Councillor Ian Ferguson, Robert Graham, Ross Hugh, Colin Paterson, Gordon Pryde, John Wincott and Vicki Wyse.

ATTENDING: Elaine Muir, Head of Finance, Laura Robertson, Finance Operations Manager, John Mackie, Pension Administration Team Manager, Anne Bence, Accountant, Karen Balfour, Senior Banking and Investments Officer, Finance; Helena Couperwhite, Manager - Committee Services and Wendy MacGregor, Committee Officer, Legal and Democratic Services.

ALSO ATTENDING: Tim Bridle, Audit Manager; Audit Scotland, Albert Chen, David Hickey and Stewart Piotrowicz, Portfolio Managers and Bruce Miller, Chief Investments Officer, Lothian Pension Fund; Scott Jamieson, Independent Adviser, Tedmoor Consulting and Stan Pearson, Independent Adviser.

APOLOGY FOR ABSENCE: Councillor Dave Coleman, Fife Pension Board.

149. DECLARATIONS OF INTEREST

Councillor Ian Ferguson declared an interest in the business on the agenda, as his wife was a member on the Board of Directors for Citizens Advice and Rights Fife.

150. ANNUAL REPORT ON THE LOCAL GOVERNMENT PENSION SCHEME

The Committee considered a report by the Executive Director - Finance and Corporate Services, which provided an annual update of the administration of the Fife Pension Fund.

Decision

The Committee noted the content of the report.

151. FIFE PENSION FUND - ANNUAL REPORT AND ACCOUNTS 2020-2021

The Committee considered a report by the Executive Director - Finance and Corporate Services which contained the unaudited Annual Report and Accounts and for Fife Pension Fund for the financial year 2020-21.

Decision/

Decision

The Committee:

- (1) noted the content of the report;
- (2) noted that the Audited Fife Pension Fund Annual Report and Accounts 2020-21 would be submitted to the Superannuation Fund and Pensions Committee on 28th October, 2021 for approval; and
- (3) acknowledged the hard work, effort and commitment of Fife Council Finance staff in the preparation, under challenging circumstances, to submit the Fife Council Unaudited Annual Accounts 2020/21 for this Committee's consideration within the required timescales.

Councillor Colin Davidson joined the meeting during consideration of the above item.

152. FIFE PENSION FUND INVESTMENT STRATEGY

The Committee considered a report by the Head of Finance detailing the output and conclusions of the review of investment strategy of the Fife Pension Fund. The report also detailed the recommended strategy following review by the Fund's investment advisers and was similar to the Fund's current asset allocation but with slight amendments compared with the existing strategy. If the funding position continued to improve, it would be possible that Equities could be reduced further, thereby also reducing risk further.

Decision

The Committee approved the amendments to the investment strategy as outlined in paragraphs 2.31 to 2.34 of the report.

The Committee adjourned at 3.35 p.m.

The Committee reconvened at 3.40 p.m.

153. STATEMENT OF INVESTMENT PRINCIPLES

The Committee considered a report by the Head of Finance which introduced the annual review of the Statement of Investment Principles (SIP) for Fife Pension Fund. The document replaced the SIP agreed by this Committee in November 2019. The report also outlined governance arrangements for the implementation of investment strategy and the assurance provided and considered the format and frequency of reporting to this Committee.

Decision

The Committee agreed to adopt the revised Statement of Investment Principles.

154./

154. FIFE PENSION FUND - STATEMENT OF RESPONSIBLE INVESTMENT PRINCIPLES

The Committee considered a report by the Head of Finance seeking approval of the proposed Statement of Responsible Investment Principles (SRIP). The report detailed the rationale for the introduction of the document and the proposed SRIP was included in Appendix 1 of the report. The intention was that the SRIP would complement the Statement of Investment Principles which was a statutory document.

Decision

The Committee

- (1) agreed to adopt the Statement of Responsible Investment Principles (SRIP) and the actions and commitments contained in it; and
- (2) agreed that a progress report would be submitted to the Committee by the end of the year 2022.

155. VOTING AND ENGAGEMENT CONTRACT (PRIVATE REPORT)

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 updating members on the recent joint procurement process undertaken for the provision of Voting and Engagement Services. Council officers have delegated authority to approve tenders, however, it was considered appropriate that this Committee also approved the contract as it confirmed their commitment to voting and engagement services as well as supporting the Statement of Investment Principles.

Decision

The Committee:

- (1) reaffirmed their commitment to voting and engagement services; and
- (2) approved the awarded contract, as detailed in the private report, for Engagement and Voting Services for Fife Pension Fund for a period of four years with the option to extend until 31st October, 2027.

156. SMALL EMPLOYERS: PROPOSED EXIT STRATEGY – UPDATE (PRIVATE REPORT)

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/

2021 SF 72

The Committee considered a report by the Head of Finance which provided an update on the progress made in respect of the proposed exit strategy offered to Employers who met the agreed criteria.

Decision

The Committee noted the progress made to date.
