

Due to the Scottish Government Guidance relating to Covid-19, the meeting will be held remotely.

Tuesday, 28th September, 2021 - 10.00 a.m.

AGENDA

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- | | |
|--|---------|
| 1. APOLOGIES FOR ABSENCE | |
| 2. DECLARATIONS OF INTEREST – In terms of Section 5 of the Code of Conduct, members of the Committee are asked to declare any interest in particular items on the agenda and the nature of the interest(s) at this stage. | |
| 3. MINUTES - | |
| (a) Minute of the Superannuation Fund and Pensions Committee meeting of 15th June, 2021; | 3 – 8 |
| (b) Fife Pension Board comments arising from the meeting on 15th June, 2021 | 9 – 10 |
| (c) Minute of the Superannuation Fund and Pensions Committee meeting of 29th June, 2021; and | 11 – 14 |
| (d) Fife Pension Board comments arising from the meeting on 29th June, 2021 | 15 -17 |
| 4. PENSIONS ADMINISTRATION MONITORING – Report by the Executive Director – Finance and Corporate Services. | 18 – 23 |
| 5. FIFE PENSION FUND - FOSSIL FUELS INVESTMENTS – Report by the Head of Finance. | 24 – 31 |
| 6. FIFE PENSION FUND - RISK MANAGEMENT – Report by the Head of Finance. | 32 – 46 |
| 7. FIFE PENSION FUND BUDGETARY CONTROL – Report by the Executive Director – Finance and Corporate Services. | 47 – 51 |
| 8. SUPERANNUATION FUND AND PENSIONS COMMITTEE FORWARD WORK PROGRAMME | 52 – 53 |

ITEM/

ITEM LIKELY TO BE CONSIDERED IN PRIVATE

The/ Committee is asked 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.

9. **REVIEW OF SHARED SERVICE ARRANGEMENTS** – Report by the Head of Finance. 54 – 66
10. **FIFE PENSION FUND - INVESTMENT UPDATE** – Report by the Head of Finance. 67 – 72

Members are reminded that should they have queries on the detail of a report they should, where possible, contact the report authors in advance of the meeting to seek clarification.

Lindsay Thomson
Head of Legal and Democratic Services
Finance and Corporate Services

Fife House
North Street
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21st September, 2021

Please contact:
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THE FIFE COUNCIL - SUPERANNUATION FUND AND PENSIONS COMMITTEE AND FIFE PENSION BOARD – REMOTE MEETING

15th June, 2021

10.00 a.m. - 12.25 p.m.-

PRESENT: Committee - Councillors Dave Dempsey (Convener). David Barratt, Bobby Clelland, Altany Craik, Colin Davidson, Fiona Grant, 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, Avril Cunningham, Service Manager, Audit and Risk Management, Audit and Risk Management Services, Laura Robertson, Finance Operations Manager, John Mackie, Pension Administration Team Manager and Fiona Clark, Pensions Specialist, Revenue and Commercial Services, 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 IN ATTENDANCE: Albert Chen, Portfolio Manager and Bruce Miller, Chief Investment Officer, Lothian Pension Fund.

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

137. MEMBERSHIP OF FIFE PENSION BOARD

The Convener, on behalf of the Committee, welcomed Ross Hugh to the meeting and noted his appointment as Employee Representative member (Unite) on the Fife Pension Board.

The Committee also noted that John Wincott was newly appointed as the Chair of Fife Pension Board and that Vicki Wyse and Gordon Pryde were appointed as Joint Secretaries.

138. DECLARATIONS OF INTEREST

No declarations of interest were made in terms of Standing Order no. 7.1.

139. MINUTE -

The Committee considered:-

- (a) the minute of the meeting of the Superannuation Fund and Pensions Committee of 9th March, 2021.

Decision

The Committee agreed to approve the minute.

(b)/

- (b) the note of meeting of Fife Pension Board of 9th March, 2021.

Decision

The Committee noted:-

- (1) the comments arising from the meeting on 9th March, 2021; and
- (2) the updates provided by the Head of Finance on the areas within the Fife Pension Board comments.

140. ANNUAL AUDIT REPORT 2020/21

The Committee considered an annual audit report by the Service Manager, Audit and Risk Management Services, containing the Annual Assurance Statement 2020/21, a performance overview, and an update on compliance with the Public Sector Internal Auditing Standards (PSIAS).

Following the introduction of the report, the Convener acknowledged that Avril Cunningham, Service Manager, Audit and Risk Management Services was retiring in August, 2021. The Convener, on behalf of the Committee and Fife Pension Board, showed appreciation for the time Avril had spent on the Committee and wished her well in her future retirement.

Decision

The Committee noted:-

- (1) the contents of the report; and
- (2) that a medium/high level of control existed and that reasonable assurance had been placed on the adequacy and effectiveness of the systems of corporate governance and internal control up to 31st March, 2021.

141. PENSION FUND ANNUAL GOVERNANCE STATEMENT 2020-21

The Committee considered a report by the Chief Executive, seeking approval of the Pension Fund Annual Governance Statement – this would be included in the Pension Fund Annual Report and the annual accounts. The report also provided some background on the processes adopted for preparing the Pension Fund Annual Governance Statement appended to the report for the Committee's approval.

Decision

The Committee:-

- (1) noted the contents of the report; and
- (2) approved the draft Pension Fund Governance Statement, included as an appendix to the report.

142./

142. PENSION ADMINISTRATION MONITORING REPORT

The Committee considered a report by the Executive Director (Finance and Corporate Services), providing monitoring information on the performance on the Pensions Team, to ensure that regulatory timescales and Key Performance Indicators (KPI's) were met.

Decision

The Committee:-

- (1) noted the contents of the report;
- (2) noted concerns relating to processing pensions payroll data, following the implementation of the Oracle payroll system from December, 2020;
- (3) agreed that the next report for this Committee's consideration at its meeting on 28th September would provide a detailed update on the progress taken by the Oracle Team and Pensions Team to resolve issues with the Oracle system; and
- (4) agreed to request that the Convener of the Environment, Finance and Communities Scrutiny Committee scrutinise Fife Council's decision to 'go live' with the Oracle Payroll System, resulting in issues with the transfer of pensions data.

143. PENSION FUND TRAINING AND DEVELOPMENT

The Committee considered a report by the Head of Finance providing an update on the progress made to date, in implementation of the training policy for members of the Superannuation and Pension Fund Committee and Fife Pension Board.

Decision

The Committee:-

- (1) noted that a varied training programme had been provided over the last financial year on a range of topics;
- (2) noted the results of the training needs assessment and that members felt they had some knowledge of the subject matter;
- (3) approved the requirement for all new members of the Committee and Board to complete The Pension Regulator toolkit within 6 months of appointment, including all newly appointed Committee members following the Local Government Elections in May 2022;
- (4) approved the proposed approach to training and the suggested topics identified; and
- (5) noted the requirement to attend training sessions and confirmation of attendance to the Head of Finance.

144. UPDATE ON 2020/21 AUDIT PLAN AND SUMMARY OF AUDIT REPORTS ISSUED

The Committee considered a report by the Audit Services Manager, Audit and Risk Management Services providing an update on the 2020/21 Audit Plan and a summary of each report issued.

Decision

The Committee noted the contents of the report.

145. POST AUDIT REVIEW

The Committee considered a report by the Audit Team Manager, Audit and Risk Management Services, providing an update on the Internal Audit reports issued since 27th February, 2020 and advising that all actions were completed for reports issued prior to 27th February, 2020.

Decision

The Committee noted:-

- (1) the contents of the report; and
- (2) the progress made in implementing its recommendations.

146. FORWARD WORK PROGRAMME

The Committee noted the Superannuation Fund and Pensions Committee Forward Work Programme, which would be updated accordingly.

147. NOTICE OF MOTION

Motion

Councillor David Barratt, seconded by Councillor Fiona Grant, moved as follows:-

“The Superannuation Fund and Pensions Committee:-

- (1) notes the decision by other pension funds to divest partially or completely from companies whose main purpose is extracting fossil fuels and that these include the likes of the UK’s largest pension fund, the government-backed National Employment Savings Trust (Nest); Aviva; Cardiff Council Pension Fund; Oxford City Council Pensions fund; The Environment Agency Pension Fund; and London Borough of Hackney Pension Fund, and that many others are actively discussing the move;
- (2) notes the Council's fiduciary duty must be paramount in all decision making around pension funds;
- (3)/

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- (3) notes that recent studies, including by Impex Asset Management, show eliminating the fossil fuel sector from a global benchmarking index actually had a small positive return effect and further notes a report from leading think-tank, Ceres, which identifies unreported risks in fossil fuel funds, which suggest the fiduciary duty may be best served by divestment from fossil fuels;
- (4) notes clarification from the Scottish Government that local authorities may decide that fulfilment of their Public Bodies Duties under the Climate Change (Scotland) Act 2009 requires them to reduce the carbon emissions associated with their funds and investments; and
- (5) requests a report to be prepared setting out the impacts for the Fife Pension fund if it was to introduce a policy of partial or complete fossil fuel divestment and the steps that would be necessary to achieve this, said report to be brought back to this committee within three months."

http://baiii.org/wp-content/uploads/2018/08/Beyond-Fossil-Fuels_-The-Investment-Case-for-Fossil-Fuel-Divestment-IMPAX-Asset-Management.pdf

https://www.ceres.org/sites/default/files/reports/2017-03/Ceres_AssetsRiskFossilFuel_InsuranceCo_060616_2.pdf

Decision

The Committee unanimously approved the motion.

The Committee adjourned at 11.30 a.m.

The Committee reconvened at 11.40 a.m.

148. SUPERANNUATION FUND - INVESTMENT UPDATE (PRIVATE REPORT) (EXCLUSION OF THE PUBLIC AND PRESS)

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 31st March, 2021. A verbal update was also provided on manager monitoring activity and investment strategy.

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 detailed in the report at 31st March, 2021 after returning a rise of 1.7% over the quarter;
- (3) that the Fund had made steady progress towards its target strategic allocation, and;
- (4) that longer term absolute returns were strong and relative returns were above both the asset and liability benchmarks.

Councillor Fiona Grant left the meeting during consideration of the above item.

Fife Pension Board Meeting

15 June 2021, 08:45

Remote by Teams

Present: Gordon Pryde, Colin Paterson, John Wincott, Vicki Wyse, Robert Graham, Cllr Ian Ferguson, Ross Hugh

Apologies for absence: Cllr Dave Coleman

Pre-meeting (08:45):

1. Welcomed Ross Hugh the new Unite the Union representative to the Pension Board.
2. Minutes of meeting 9 March were agreed.
3. Matter arising - Small Employers report not present in current papers.
IPO - looking for an update on progress.
Scheduled bodies stabilisation mechanism update needed.
Chair (GP) updates:
Small employers report at next meeting (29 June)
IPO interviews due in July
4. The Board elected a new Chair - JW, and a new joint secretariat - GP and VW.
5. The Board welcomed the production of the New Member training report and guidance.
6. Board questioned what criteria were used to appoint Hermes.
7. Board is concerned at the impact that the implementation of Oracle has had on pension administration.
8. Board is keen to see the update on the effectiveness of the partnership approach that has been used by the fund.

Committee meeting.

9. Elaine Muir updated on the Scheduled Bodies stabilisation mechanism review. The funding actuary will provide a report for the Sept meeting of the committee and board.
10. Updates re-Oracle. Approx 3 months of data is currently not available for the pension admin team. There has been no impact on payments, but there have been impacts on member information. The production of the Benefit Statement is being carefully monitored to ensure that it is not impacted. Pension committee to recommend that the relevant Scrutiny Committee of the Council conduct a full review of the implementation of the Oracle system.

Post meeting.

Present: Gordon Pryde, John Wincott, Colin Paterson, Robert Graham, Vicki Wyse, Cllr Ian Ferguson.

Apologies for absence: Cllr Dave Coleman, Ross Hugh

11. The Board is concerned about the impact of the Oracle implementation on the pension administration and, while noting the full investigation recommended by the committee, requests an urgent report to be brought to the Pension Committee and Pension Board covering the following:

The initial impacts of the Oracle problems on the pension admin team including how many pension members were affected.

The impacts still ongoing at end of June.

The timescale to remedy any remaining impacts.

Whether the Pension Fund Admin budget has been affected by this issue, if so then by how much?

12. In light of the Oracle issues, the Board requests report detailing a 'Stress Test (Disaster Recovery) Analysis' of the Pension Admin systems to be brought to the Committee and Board within 6 months.

13. Board welcomed recommendation of the TPR Toolkit and a refresh of this ever five years.

14. Board welcomed clarification of the Annualised Returns of the Investment returns.

Meeting closed

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

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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.

MINUTE OF FIFE PENSION BOARD MEETING – MS TEAMS

29th June 2021.

PRESENT: John Wincott, Gordon Pryde (Chair), Colin Paterson, Robert Graham, Ross Hugh, Councillor Ian Ferguson and Vicki Wyse

APOLOGIES

FOR ABSENCE: Councillor Dave Coleman

1. MINUTES OF PENSION BOARD MEETING OF 11th JUNE

Members were previously agreed by email

2. MATTERS ARISING

There were no matters arising from the previous meeting.

2. PENSIONS SUB-COMMITTEE PAPERS

There was a brief discussion over the agenda and papers and areas were identified where clarification would be sought if the presentation of the reports to the Committee did not provide an explanation.

Particular areas for discussion related to:

- The impact of Oracle implementation on the Pensions Team and meeting the deadline for the annual benefits statements
- Small Employers Exit Strategy – whether this matter his still ongoing or has now concluded to satisfaction of the bodies involved.
- The Annual Report and Accounts relating to cost transparency.
- Further information on health retirals and appeals

MEETING ADJOURNED FOR PENSIONS SUB-COMMITTEE

3. The Pension Board reconvened after the Committee meeting, however due to the time of the close of the Pension Committee Meeting and other commitments of Board Members it was agreed to postpone the remainder of the meeting until Thursday 1st July at 9am.

MINUTE OF FIFE PENSION BOARD MEETING – MS TEAMS

1st July 2021.

PRESENT: John Wincott (Chair), Gordon Pryde Colin Paterson, Robert Graham, Ross Hugh, Councillor Ian Ferguson and Vicki Wyse

APOLOGIES

FOR ABSENCE: Councillor Dave Coleman

1. The Chair welcomed everyone to the Board and thanked them for attending the further meeting to discuss the Pensions Committee of 29^h June.
2. Review of Committee Decisions

The Board agreed that there were no decisions made at the committee that had resulted in a requirement for the Board to request a review.

There were however still some areas of concern highlighted in the Board discussion of the Committee meeting as follows :

Item 3 – Annual Report in the Local Government Pension Scheme

The Board welcomes the assurances that the backlog in input of new pensioners information will be cleared for the period to 31st March to allow the pension statements to be issued by the statutory deadline of 31st August. However, it needs further clarity as to how this position arose, why consideration for this was not resolved prior to implementation and in addition why it has taken so long to rectify the issue on the transfer of data.

The Board also wishes to seek assurance that that impact on pensions systems and the ability for the Administering Authority to meet its legal obligations to report and pay pensions will be considered in the future when systems are being upgraded or renewed and there are suitable measures in place for those obligations to be met on an ongoing basis in the event of systems failure.

Item 4 – Annual Report and Accounts

The 2 key areas arising for the Pension Board were as follows:

- Acknowledgement that the delay in appeals process which were outwith the control of the Pensions teams, being reliant on the occupational health provider, and that further information being provided by the Authority would provide greater clarity on the issue.
- While the work on cost transparency is always welcomed the Board questions how effective this is while this is voluntary on the part of the fund managers which leads to distortion and less ability to benchmark with others.

Item 5 - Fife Pension Fund Investment Strategy

Report was discussed in detail across a number of areas therefore no requirement to review the decision.

Item 6 – Statement of Investment Principles

Concerns about the reporting and access to the work of the JISP and clarity on their investment decisions still remains an issue for some Board Members and it is hoped an alternative mechanism can be developed to provide further clarity on the work of the JISP and the decisions taken.

The Board would also welcome a report on any costs savings achieved so far on the collaboration, understanding the rationale for collaboration was not solely on the basis of cost, and also for indicative future savings as the relationship continues over time and becomes more efficient.

Item 7 - Fife Pension Fund – Statement of Investment Principles

Pension Board Members were unaware that their role was to act as a consultative body for the Committee/Administering Authority to meet any consultation requirements on behalf of employers and employees/pensioners and feels this responsibility needs to be incorporated into the Pension Board Constitution if they are being required to fulfil that role.

Item 8 – Voting and Engagement contract

The Pension Board welcomed the comments of the Committee Chair that output of the reports should be more closely focussed on the impact of Fife's requirements rather than the wider engagement the contractor carries out.

Item 9 – Small Employer Exit Strategy Progress Update

The Board noted that despite the report being a progress update, following further scrutiny the overall exit strategy will be concluded by the end of July for all of the employers involved.

3. **AOB**

Update provided by the Chair that he will be included in the recruitment process for the appointment of an Independent Professional Observer for the Committee and keep the Board updated on progress.

28th September, 2021

Agenda Item No. 4

Pensions Administration Monitoring Report

Report by: Eileen Rowand, Executive Director (Finance and Corporate Services)

Wards Affected: N/A

Purpose

To provide the Committee with monitoring information on the performance of the Pensions Team and the service provided to members of the fund.

Recommendation(s)

The Committee is asked to:

- Note the level of annual performance relative to the target and to the previous year
- Agree that the breach of regulations be recorded in the breaches log but no report to the Pensions Regulator is required

Resource Implications

Managing and monitoring team performance is important in providing an efficient service to employers and members and can highlight areas for improvement. Performance is considered and monitored to ensure regulatory timescales and Key Performance Indicators (KPIs) are met.

Legal & Risk Implications

Team performance monitoring ensures regulatory timescales and KPIs are met.

Impact Assessment

Not relevant.

Consultation

Not relevant.

1.0 Background

- 1.1 Key Performance Indicators (KPIs) which support the pension administration function are collated within Altair, the pension administration software. KPIs are reported quarterly to managers and updated in the performance management system, Pentana.
- 1.2 The report is designed to provide formal reporting of administration performance to the Committee.

2.0 Key Performance Indicators

- 2.1 KPI information for the year from 1 July 2020 to 30 June 2021, and a comparator for the year to 30 June 2020, are detailed in Appendix A. An explanation for performance below the target is provided in the Comments section.
- 2.2. The Pensions Team continued to work from home in the year to 30 June 2021. However, from 23 August, the Council has introduced a Blended Workstyles pilot which allows some office access days. All team members have been invited to participate in that pilot. This has given the team some flexibility in terms of the ability to work from the office but it has been a further change for team to adapt to and manage.
- 2.3 In line with guidance issued by the Pensions Regulator, priority continues to be given to the business-critical tasks of paying existing pensioners, processing new pension benefit cases and dealing with bereavement cases. The Team continues to carry out the full range of administrative tasks including answering the high volume of emails received. Training continues to be provided to team members in key areas.
- 2.4 Since the last report the team have been able to update the pension administration system with new starts and leavers for all payroll dates to 24 June 2021 and 22 July 2021 respectively. This covers employees working with both Fife Council and the admission bodies for whom Fife Council carries out payroll processing. This has required additional checks on records to take place and the team continues to work with the Oracle project team on the data and format of reports to resolve the outstanding queries and to update our administration system
- 2.5 Additional resources were allocated to this project to ensure that Annual Benefit Statements were issued to members who are paid through the Oracle payrolls in line with the statutory deadline of 31 August. Due to the hard work of the team and Transaction Payroll colleagues, approximately 16,000 statements were produced by the deadline of 31 August with only 52 members not receiving their statements by the deadline, this represents 0.3% of the active membership of the scheme.
- 2.6 Given this represented only 0.3% of the active membership, officers have deemed that there is no requirement to report this to The Pensions Regulator as it is not of material significance and action is ongoing to rectify this breach. In line with the Fund's "Reporting Breaches of the Law Policy" this will be recorded on the breaches log and reported in the Annual Report and Accounts.
- 2.7 Of the 52 benefit statement outstanding, a further 5 have now been processed and annual benefits statements provided. The team, in liaison with the Council's payroll

transaction team, are currently working to provide the information and issue the statements to the remaining 47 members. These members have been notified that their statements are not yet available and will be notified once they have been produced.

3.0 Revised KPIs

- 3.1 The committee requested that a further review of KPI information be carried out. However, focus of the team has necessarily been on ensuring that the 16,000 Annual Benefits be produced in line with the regulatory deadline. In addition, there have been a number of changes in respect of the Pensions Team, one being the transfer of the team from Revenue Services to the Finance Service. This transfer took place in June 2021 and will facilitate joint working and greater collaboration between the Administration Team and Investment Team.
- 3.2 Following the structural change the overall demands on the team are being considered and the development of revised KPI information is being scheduled alongside other work and developments the team are currently planning, including the response to McCloud and development of Member Self Service for pensioners.
- 3.3 Work on KPIs is currently being scoped out. This work will include reviewing those KPIs produced by other funds with a view to developing revised KPIs for consideration by committee in March 2022.

4.0 Conclusions

- 4.1 This report provides members with monitoring information on the Pension Administration Team's performance and service delivery to employers and members of the fund in the year to 30 June 2021.

List of Appendices

Appendix A – Pension Team Performance Indicators

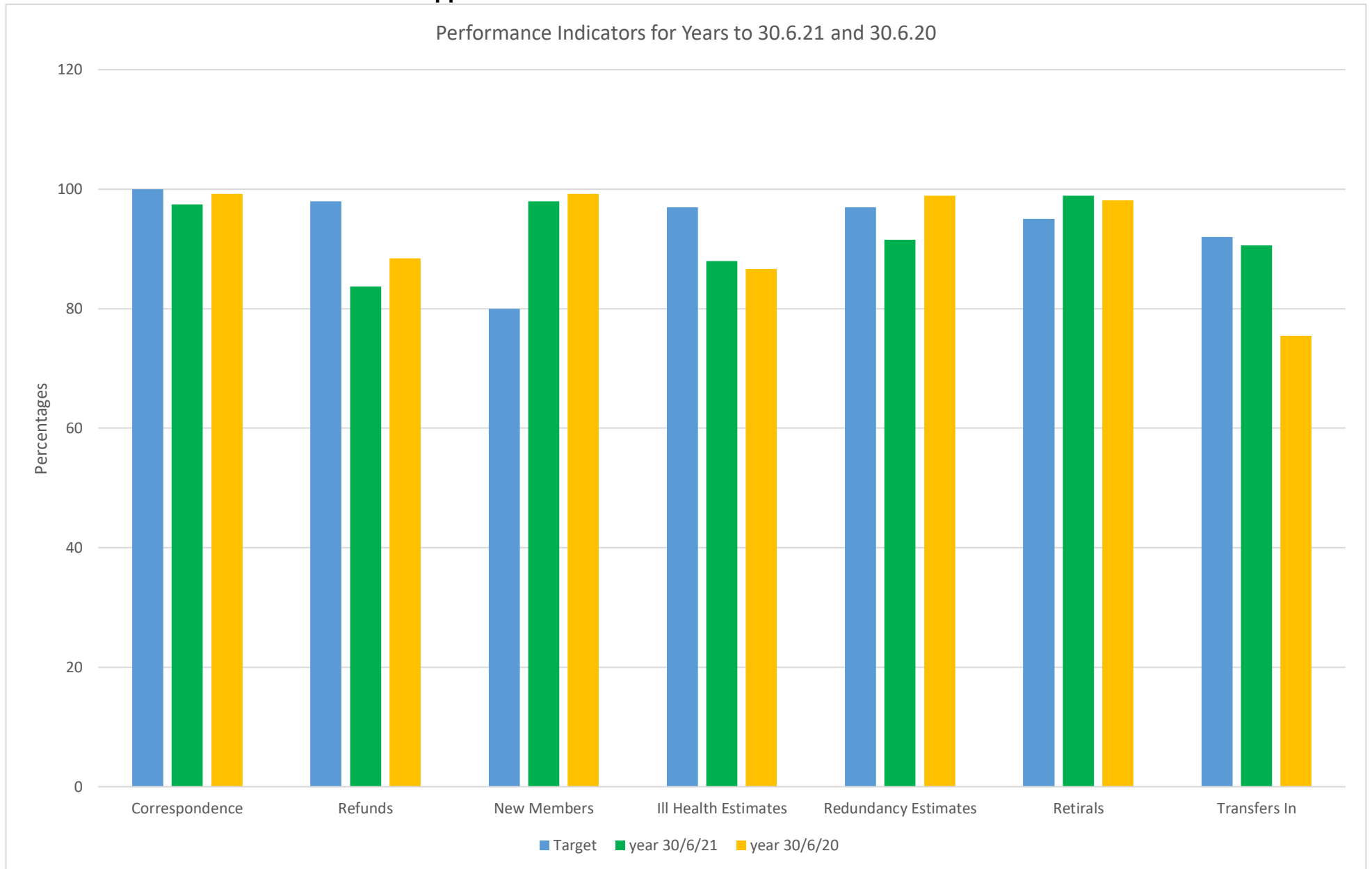
Report Contact





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Appendix A Pension Team Performance Indicators

Performance Indicators for Years to 30.6.21 and 30.6.20



KPI	From 01.07.2020 to 30.06.2021	Total Cases 01.07.2020 to 30.06.2021	From 01.07.2019 to 30.06.2020	Total Cases 01.07.2019 to 30.06.2020	Target Days	Target %	RAG Status	Comments
Correspondence	97.47%	79	99.18%	122	10 days	100%		Two cases outwith target because they required further investigation in order to provide full responses.
Refunds	83.73%	504	88.45%	901	5 days	98%		Refund processing was impacted by the fact that we had recruited two new support assistants prior to the COVID lockdown. The initial implementation of homeworking had an impact on training which had a knock-on effect on the processing of refunds. We are satisfied that this training is now complete and our staff are now up to speed with the process.
New Members	97.95%	1368	99.22%	2305	20 days	80%		
Ill health Estimates	87.93%	58	86.67%	60	13 days	97%		Cases over target were either complex requiring further legislative investigation, or we were reliant on employers to provide historic pay information so we could calculate ill health enhancements. This impacted on the processing of estimates.

Redundancy Estimates	91.53%	153	98.89%	90	13 days	97%		<p>The team dealt with complex cases requiring further legislative investigation.</p> <p>The team also had to liaise with employers about HMRC rules on loss of protected pension age for members retiring before age 55. Workforce change exercises highlighted members aged under 55 who also had other LGPS employments. Members were advised that if they continued in their other employment, they would lose their protected pension age, resulting in significant tax implications. This all had an impact on the time it took to process estimates.</p> <p>Further there is a marked increase in redundancy quotes compared to previous years.</p>
Retirals	98.87%	530	98.10%	634	5 days	95%		
Transfers In	90.62%	32	75.49%	102	10 days	92%		<p>Processing of transfer in cases was impacted by staff absence. However, we have since tackled and cleared a backlog of cases. We are going to extend transfer training to more team members to ensure that we are fully covered to prevent this happening in future.</p> <p>Although outwith the target there is a significant improvement compared to last year.</p> <p>Fewer transfers in through 2020/21 due to fewer new starts but only 3 cases outwith target.</p>

28th September, 2021

Agenda Item No. 5

Fife Pension Fund – Fossil Fuels

Report by: Elaine Muir, Head of Finance

Wards Affected: All

Purpose

The purpose of this report is to provide a response to a motion agreed by the Superannuation Fund and Pensions Committee on 15 June 2021, requesting a report to be prepared setting out the impacts for the Fife Pensions Fund if it was to introduce a policy of partial or complete fossil fuel divestment and the steps that would be necessary to achieve this.

Recommendation(s)

It is recommended that the Committee members:

1. Note that the agreed Statement of Responsible Investment Principles (SRIP) recognises the risks and opportunities surrounding Climate Change
2. Agree to advance the actions and commitments contained in the SRIP
3. Agree to organisation of a session providing specialist investment and legal advice as well as the opportunity for in-depth discussion, questions, and debate to explore this topic further

Resource Implications

There is unlikely to be any immediate significant financial implications for the Fife Pension Fund as a result of the recommendations in this report. However, actions contained within the SRIP will become more resource intensive over time.

Legal & Risk Implications

There are no immediate legal or risk implications relating to the recommendations in this report.

Impact Assessment

An EqIA is not required because the report does not propose a change or revision to existing policies and practices.

Consultation

Consultation has taken place with specialist investment advisers both within the internal LPFI team and independent advisers to the Joint Investment Strategy Panel.

1.0 Background

- 1.1 At the meeting of this Committee on 15 June 2021 a motion was agreed requesting that a report be prepared setting out the impacts for the Fife Pension Fund if it were to introduce a policy of partial or complete fossil fuel divestment and the steps that would be necessary to achieve this. This report addresses the issue and explains why the Committee's policy, documented in the SRIP, takes a different and progressive approach to this complex matter.
- 1.2 There are several effects of a divestment policy, including a changed risk / return profile for the Fund, higher costs to effect sales and changes to investment mandates, potentially higher employer contributions at a time when employers are facing significant financial pressure. A further risk factor associated with a blanket divestment policy is the risk of legal challenge should members of the Superannuation Fund and Pensions Committee overlook their fiduciary duty to pension fund members and employers and base decision-making on non-financial factors, such as moral objection or political aspiration. This conclusion is supported by a review carried out by the law firm Pinsent Mason on behalf of the Scheme Advisory Board ([Fiduciary Duty Guidance | LGPSAB](#)).
- 1.3 The influence of a divestment policy on the Fund would be a transitory one. It may feel better to disassociate the Fund from 'dirty' fossil fuel companies, but the action does nothing to change carbon emissions. Divestment is too simplistic an approach and simply transfers assets from responsible investors, such as the Fund, to other, possibly less responsible, investors. Moreover, the transfer may occur at a value lower than the intrinsic worth of the shares. The Fund has historically preferred to engage to effect positive change rather than to divest, and it continues to believe in this approach. Failure to change following engagement is, however, a driver of future investment decisions and this issue is acknowledged and addressed within the SRIP that was agreed by this Committee on 15th June 2021.
- 1.4 The fund is acutely aware of the impacts of Climate Change and seeks to strike a balance between satisfying legal obligations as well as encouraging a high standard of responsible investment. One aim of the SRIP is to achieve that balance.
- 1.5 To provide some context, at 31 March 2021 it was estimated that a relatively low proportion (2.5%) of the overall fund value was invested in so-called fossil fuels, albeit there is no clear definition of a fossil fuel company.

2.0 Issues relating to divestment from Fossil Fuels

Impacts of a Blanket Divestment Policy

- 2.1 In relation to the request posed by the motion, there would be a range of impacts and steps necessary, some of which are outlined below:

- 2.1.1 Any blanket exclusion of a group of stocks (fossil fuels or otherwise) from the universe of potential investments will reduce the expected return and/or increase the risk of the Fund's portfolio. Specialist investment advice is necessary to explore and analyse the possible impacts. Embarking on an exclusionary policy could lead to lower annual returns and a consequence could be higher employers' contributions.
- 2.1.2 Any change of this nature will inevitably incur costs (transaction costs, adviser costs, legal costs), and this would need to be weighed against any perceived benefit.
- 2.1.3 The introduction of an exclusionary policy could pose legal risk, and consideration of legal aspects would be required.
- 2.1.4 A clear definition of a fossil fuel company would have to be established. All mandates would have to be reviewed and revised in conjunction with the Fund's legal advisers, which is likely to be resource intensive.

Climate Change Risk

- 2.2 That there are potential financial implications to fossil fuel companies stemming from climate change risk are by now well known. It is very clear that governmental policies around the world are discouraging fossil fuel companies from exploration and production activities. Many energy companies are now investing heavily in cleaner fuels and renewables, which will blur the lines between fossil fuel companies and renewable companies in future. They are certainly part of the climate change problem, but they are also part of the solution. The Fund takes a holistic view of climate change and recognises that it must manage and mitigate the financial implications of the physical impacts of change and to position itself effectively for the transition to a less carbon-intensive economy. The pension fund must invest in ways that give the best chance of delivering the pension promise to beneficiaries.
- 2.3 There is no clear evidence that a blanket divestment approach to fossil fuels achieves this aim. It could potentially eliminate opportunity for the fund as some fossil fuel companies are likely to be major participants in the transition to cleaner energy. In addition, the fund invests directly in renewable assets. Whereas the world relies on fossil fuels for 85% of its energy needs, the Fund currently has a very low exposure (approximately 2.5% of listed assets) to this area.

Investment & Funding

- 2.4 The terms "investing", and "funding" are often used interchangeably and incorrectly, however, there is a clear distinction that needs to be understood. While investing can be used as a catch-all for many different types of financial transaction, funding involves the provision of primary investment capital to companies and projects.
- 2.5 In 'Theorizing investor impact: voice and/or exit across asset classes' (2021), Hoepner & Schneider illustrate the flow of funds in the following manner.

2.6 A primary market transaction (t_0 in Figure 1 below) involves an investor injecting new capital into a company in exchange for an equity share. This provision of new capital can be described as funding a firm.

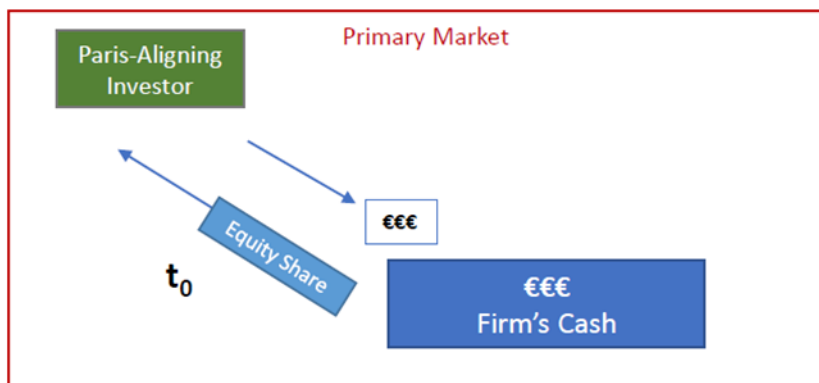


Figure 1: A primary market transaction

2.7 Should the investor who provided this funding, in Figure 1, then wish to sell the shares, they do not “cash in” their capital with the company. Rather, they sell the shares to another market participant in what is known as a secondary market transaction (t_1 in Figure 2 below). The Other Investor (the purchaser) provides the Firm with no funding; the Other Investor is investing in the Firm but not providing it with new capital. Most importantly, the selling (divestment) of an equity share by an existing shareholder has no effect on the capital or the funding position of the firm.

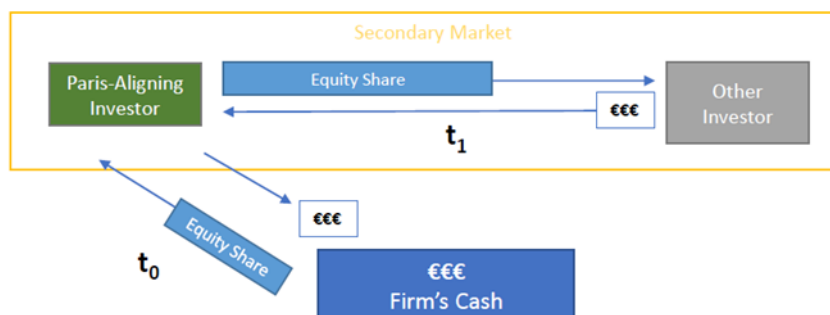


Figure 2: a secondary market transaction

2.8 Forms of fundraising for new capital can take many shapes. Initial public offerings (IPOs) often provide capital to companies and rights issues allow existing shareholders to provide capital to companies. Companies also raise capital for their business operations in public debt markets (corporate bond issuance), through loans from banks, and in private markets, including debt, equity, and infrastructure. All routes to new capital can be influenced by responsible market participants.

3.0 Current Strategy and Approach

- 3.1 The current strategy and approach has been developed over time and taking cognisance of specialist investment advice and is still believed to be the right approach considering the responsibilities of the Committee and the legal requirements surrounding pension fund investments. It also recognises that engagement can lead to behaviour change, whereas divestment has no direct impact on either carbon emissions or climate change. The fund currently has two agreed statements recognising appropriate principles in relation to investing responsibly to meet the fund objectives on behalf of both members and employers within the fund.

Statement of Investment Principles

- 3.2 The fund's agreed statement of investment principles has been developed taking cognisance of independent advice from a number of investment advisers over time. The principles that are most relevant to the motion include:
- 3.2.1 Principle 10: Committee believes in owning a diversified portfolio of assets so that it is not overly exposed to any particular contingency, and
 - 3.2.2 Principle 11: Committee believes that responsible investment should reduce risk and may improve returns, but that mechanistic divestment is inconsistent with the Fund's fiduciary duty to members and employers.
 - 3.2.3 Principle 12: Committee believes it should exercise its ownership rights in a responsible way, constructively engaging with companies to reduce risk.

Statement of Responsible Investment Principles (SRIP)

- 3.3 The fund recently approved its SRIP on 29th June 2021. The principles were developed alongside the fund's collaborative partners following input and advice from the advisers on the Joint Investment Strategy Panel.
- 3.4 This statement sets out a range of principles to be adopted to ensure that the Fund is a responsible investor and it also sets out a range of actions that will be progressed in the coming months and years specifically relating to climate change related monitoring and actions.
- 3.5 Notably, among the many new commitments in the SRIP, the following two are relevant to climate monitoring and action:
- 3.5.1 Using data from the Transition Pathway Initiative (TPI), to engage alongside our collaborative partners to encourage companies to adopt business models and strategies that are in line with the aims of the Paris agreements. Our ambition is that all holdings covered by TPI will have achieved a level 4 assessment and have a business plan whose carbon performance is in-line with the Paris agreement or better by 2025.

- 3.5.2 Using data from the Transition Pathway Initiative (TPI), we will not subscribe to new equity and fixed income issuance from companies whose business plans are not aligned with the aims of the Paris agreements at the time of the fundraising.
- 3.6 The first commitment relates to secondary equity investments, and the second commitment relates to funding. This will mean committing to fund companies only if they can demonstrate a Paris-aligned business plan. This is a significant commitment that can be described as “Engage your equity, deny your debt”. This is a relatively new approach to investing in corporate debt, which has been adopted by leaders in responsible investment.
- 3.7 The commitments contained in the SRIP are concerned with responsible investment across all investments across the fund and describes the fund’s overall approach to investing responsibly in relation to climate change more broadly and is not focussed solely on fossil fuel companies. It is important to note that selective divestment is already contained within the SRIP as a possible course of action in certain circumstances and processes around this are yet to be developed.
- 3.8 A further action agreed within the SRIP was that the Head of Finance would ensure that training on climate related issues is made available to all members of the Pensions Committee and Pensions Board. This action will be progressed in the current year with a view to exploring the issues raised in this report.

Engagement - ESG

- 3.9 Committee recently re-affirmed its commitment to employing Hermes EOS to carry out voting and engagement services on behalf of the Fund. This is in recognition that as a relatively small pension fund, Fife has limited capacity to significantly impact behaviours of companies in its own right. By employing the services of Hermes EOS in a way that allows the Fund to join forces with many other larger investors to pool their resources as a group and to engage and influence large companies to bring about positive change. Hermes EOS act on our behalf in several ways, aiming to influence the business strategies of fossil fuel (and other carbon intensive) companies and to better steer them towards alignment with the goals of the Paris Agreement. Most engagement takes the form of confidential one-on-one discussions and can also include collaborative engagement, supporting public statements, annual shareholder meeting statements, voting against companies where necessary, producing joint statements with companies and proposing shareholders resolutions.

4.0 Next Steps

Implementing the commitments made in the SRIP

- 4.1 The SRIP was approved in June 2021 and there are several new commitments that officers will begin to implement in the coming months and years. These were primarily concerned with adhering to a set of responsible investment principles as

well as developing the Fund's approach to climate change and recognising the importance of the Paris Agreement. It was agreed that officers develop processes that will allow the fund to implement the aspirations contained in the SRIP and this will begin to take the fund in a direction that is more informed in relation to climate change.

- 4.2 Reporting of climate change risk is likely to become mandatory in the next year or two and officers will need to begin to prepare for this. This will require funds to consider their approach to climate change from four different perspectives (Governance, Strategy, Risk Management and Metrics/Targets). It will mean that funds will be encouraged to collate emissions data to help inform them and help them and the SRIP is an important step in this direction.

“Proper Advice”

- 4.3 Regulations pertaining to LGPS investment require fund investments to be widely diversified and for the fund to take “proper advice” from appropriate specialist advisers. Given the significant complexities and risk involved in a blanket divestment policy, it is proposed that a future session is organised that provides committee and board members the opportunity for further development through in-depth discussion and debate on the issues raised in this report. This will include topics such as climate change and the risk to the pension fund, investment advice, governance, responsibilities, legal advice, and information to help members build more knowledge of the underlying complexities in this area. Additionally the session will cover in more depth, the aspirations, commitments, and actions contained within the SRIP.

5.0 Conclusions

- 5.1 There are many complex factors to consider in this important and highly topical area of pension fund investments.
- 5.2 The current strategy and approach has been developed over time and taking cognisance of specialist investment advice, is still believed to be the right approach considering the responsibilities of the Committee and the legal requirements surrounding pension fund investments.
- 5.3 To enhance the Committee's overall understanding, there is a requirement for in depth specific training as well as a need to take account of specialist investment advice to gain a deeper knowledge of the issues surrounding responsible investment. This development session will be organised in a way to ensure that there is plenty of opportunity for in-depth questions and debate.
- 5.4 The SRIP was approved by the Committee on 29th June 2021 and there are many actions contained within the SRIP that are directly relevant to managing climate change risk and responsible investment. Time is needed to allow officers to begin

developing processes and implementing some of the actions. A commitment was made for future reports to be brought back to Committee providing updates on progress going forward.

List of Appendices

None

Background Papers

[Statement of Responsible Investment Principles](#)

[Statement of Investment Principles](#)

[Report for Scheme Advisory Board - Fiduciary Duty](#)

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28th September, 2021

Agenda Item No. 6

Fife Pension Fund - Risk Management

Report by: Elaine Muir, Head of Finance

Wards Affected: ALL

Purpose

The purpose of this report is to provide an updated Risk Register for Fife Pension Fund. The risks associated with the Fund have been reviewed and updated scores provided to reflect the internal controls in places.

Recommendation(s)

The Committee are asked to:

1. Review and consider the contents of this report
2. Note that the risks are reviewed on a regular basis and reports will be brought forward should there be a change or on an annual basis

Resource Implications

There are no direct resource implications of this report, however, should there be ineffective internal controls in place, some of the risks identified could have a significant financial impact on the Pension Fund, highlighting the need for ongoing monitoring and being risk aware.

Legal & Risk Implications

It is recognised that effective risk management is an essential element of good governance of the Local Government Pension Scheme.

Impact Assessment

An EqIA Assessment is not required.

Consultation

The Pension Board, comprising employer and member representatives, is integral to the governance of the Fund and they are invited to comment on the relevant matters at Committee meetings.

1.0 Background

- 1.1 A detailed and fund specific risk register was established in 2017 in accordance with the Pensions Regulator's Code of Practice. The risk register covers investment, governance and administration risk. It is held as a separate risk register on Pentana, Fife Council's risk management system and is reviewed on a quarterly basis by the Pensions Governance Group, which is an officers group chaired by the Head of Finance. The risk register is attached at Appendix 2.
- 1.2 Whilst the risk register forms a key part of the risk management strategy, it was recognised that a structured and focussed approach to managing risks requires a formal risk management manual detailing the fund specific policy statement and strategy.
- 1.3 The risk management manual for the Fund was approved by Committee in May 2019 outlining the Fund's risk management objectives, policy and strategy for managing risks.
- 1.4 Since that time the manual has been reviewed and updated to reflect the revised Committee structure, however, the strategy and policy remain the same and the document is published on the Fund's website ([Risk Management Manual](#)).

2.0 Risk Management Manual

- 2.1 The manual adopts The Pensions Regulator's Code of Practice relating to the establishment and operation of internal controls. In accordance with the Code, a full risk assessment was carried out which:
 - Set out the objectives of the Fund
 - Determined the various functions and activities carried out in running the LGPS
 - Identified the main risks associated with those objectives, functions and activities
- 2.2 Fife Pension Fund promotes a culture and environment that is **risk aware** and ensures that we identify and know our risks and opportunities to enable us to take appropriate decisions.
- 2.3 The Fife Pension Fund risk management objectives are:
 - To establish a co-ordinated, methodical and rigorous approach to risk management of the Fund
 - To ensure that risk management is integrated into the culture of the day to day activities of the Fund
 - To minimise probability of negative outcomes for the Fund and its stakeholders
 - To raise awareness of risk management for all those connected to the Fund
 - To assign responsibility for risk management to appropriate individuals within the management of the Fund
 - To ensure that risk management supports accountability, performance measurement and reward.
- 2.4 Risk management is a continuous process and to manage risks they will continue be held on a Risk Register on Pentana, Fife Council's risk management system.

3.0 Risk Register

- 3.1 The Risk Register is a tool used by officers to manage the risks to the pension fund by documenting them, scoring them and identifying the internal controls in place to mitigate against the likelihood and impact. The Risk Register is designed to provide oversight, scrutiny and assurance for the Committee that risks are being captured and that they are being managed.
- 3.2 The risk register was recently reviewed and updated by officers on the Pensions Governance Group. Each risk score was evaluated, identifying the inherent, current and target scores.
- 3.3 For each risk, internal controls were identified which are designed to mitigate risks and reduced the risk score if these are fully effective. Details of the scoring matrix are provided as Appendix 1.
- 3.4 Reviewing the risk register will be completed on a regular basis with the intention of reducing any medium or high scores (risk scoring 8 or above).
- 3.5 During the last review, a number of risks were identified as having a current risk status of "Warning", with three risks being identified as "High Risk".
- 3.6 One risk identified as "high risk" relates to the ability to keep the service going due to factors out with the control of the Fund. This risk has scored highly due to the ongoing pandemic and the requirement to work from home. However, the controls identified are partially effective and this is reflected in the risk scores.
- 3.7 The second "high risk" status relates to the risk of committee and board members having a lack of appropriate knowledge and understanding and the impact on decision making. There is a partially effective control around provision of training, however, action is being taken strengthen this control, as agreed previously by this Committee.
- 3.8 The third "high risk" status relates to cyber security and the potential threat of attacks leading to potential fraud for example. Controls around the systems are fully effective and work is ongoing to provide additional training and awareness to staff to strengthen controls in this area.
- 3.9 One risk has a status of "Warning" which reflects the partially effective controls associated with information from new reports from Oracle that are in their infancy and need further development and refinement.
- 3.10 In some instances the Current Risk Status is set at "high risk" or "warning" with the Target Risk status also as "warning". Although the controls are deemed to be fully operational and effective in two instances, the risks are such that there could be a significant impact on the Fund. The two risks in question cover ability to meet liabilities as they fall due, failure of the global custodian. The third "warning" status relates to the knowledge and understanding of committee and board members as training control is only partially effective.
- 3.11 Another risk with "warning" status for both current and target is Committee not having a quorum to enable a meeting to take place. The controls are effective but the risk of the meeting not going ahead remains the same.
- 3.12 Finally, Cyber Security remains a "warning" for Target Risk Score as due to the significant impact on the Fund.
- 3.13 It was previously agreed that a risk report would be considered at committee where a target risk score is above 8 or where a new risk had been identified for awareness with the full risk register being submitted to the Committee on an annual basis.

4.0 Conclusions

- 4.1 Fife Pension Fund has in place a Risk Management Manual which sets out the relevant policies and strategies and how the fund manages its risks and maintains a culture and environment that is risk aware.
- 4.2 The Risk Register sets out the original, target and current risk scores for all risks identified. This is reviewed on a regular basis and scores updated to reflect the effectiveness of internal controls.
- 4.3 Regular reporting will be provided to committee, recognising changes in scores and any new risks identified

List of Appendices

1. Risk Register – Scoring Matrix
2. Pension Fund Risk Register

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:-

- LGPS Risk Management Policy, Superannuation Fund and Pensions Sub-Committee and Fife Pension Board May 2019
-

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Risk Register - Scoring Matrix

Following identification of risks, the next stage is to analyse and profile each risk. Risks are assessed by considering the likelihood of the risk occurring and the impact if it does occur. The following matrix is used to assess the risk:

Risk	Impact				
	None (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

Key

Risk	Insignificant	Low	Medium	High
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When assessing the likelihood of the occurrence the following is considered:

Likelihood Description

Likelihood of Occurrence	Score	Description
Almost certain (5)	5	Will undoubtedly happen, possibly frequently
Likely (4)	4	Will probably happen, but not a persistent issue
Possible (3)	3	May happen occasionally
Unlikely (2)	2	Not expected to happen, but is possible
Remote (1)	1	Very unlikely this will ever happen

The description of Impact is detailed as follows:

Impact Description

Impact of Occurrence	Score	Impact on Service Objectives	Financial Impact *	Impact on Time	Impact on Reputation
Catastrophic	5	Unable to function, inability to fulfil obligations	Severe financial loss > £XM	Serious - In excess of two years to recover pre-event position	Highly damaging, severe loss of public confidence
Major	4	Significant impact on service provision	Major financial loss £XM to £YM	Major – Between 1 year – 2 years to recover pre-event position	Major adverse publicity, major loss of public confidence
Moderate	3	Service objectives partially achievable	Significant financial loss £XK to £XM	Considerable – between six months to 1 year to recover pre-event position	Some adverse publicity, legal implications
Minor	2	Minor impact on Service objectives	Moderate financial loss £XK to £XK	Some - 2 to 6 months to recover	Some public embarrassment, no damage to reputation
None	1	Minimal impact, no service disruption	Minimal loss Up to £XK	Minimal – up to 2 months to recover	No interest to the press, internal only






* Financial impact will vary according to where in the organisation the risk sits.












Fife Council Local Government Pension Fund Risk Register

Generated on: 17 September 2021

Fife Pension Fund

Administered by Fife Council

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to process pension payments and lump sums on time	Retiring members will be paid late which may have implications for their own finances. Reputational risk for the Fund. Financial cost to the fund if interest has to be paid to members.	Laura C Robertson	12	Robust maintenance and update of Altair		6	3	08-Sep-2021
				Hosted contractual arrangement for Altair including Disaster Recovery Plan and Business Continuity Plan				
				Sufficient staff cover arrangements				
				Staff training and development and checking of work				
				Robust maintenance and update of ORACLE.				
				Hosted contractual arrangement for ORACLE including Disaster Recovery Plan and Business Continuity Plan				
				Comprehensive documented procedures and guides				
				BC plans covering the F& CS Directorate				
								

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to collect and account for contributions from employers and employees on time	Adverse audit opinion for failure to collect contributions by 19th of month Potential delays to employers' FRS17,FRS102 and IAS19 year-end accounting reports	Laura C Robertson	9	Sufficient staff cover arrangements		3	3	08-Sep-2021
				Staff training and development and checking of work				
				Ongoing communication with employers				
				Robust maintenance and update of Altair				
				Robust maintenance and update of ORACLE.				
				Comprehensive documented procedures and guides				
				Regular monitoring of cash flow				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Inability to meet liabilities as they fall due	Immediate cash injections would be required from employers or increased contribution rates.	Laura C Robertson	12	Funding Strategy Statement identifies how employers liabilities are best met going forward and contributions are updated in line with funding strategy which is based on a risk approach. Admitted have their own set contribution as determined by the risk based funding strategy and reflective of their own liabilities.		4	4	24-Jun-2021
				Investment Strategy is a key determinant of funding level, risk and volatility of employer contribution rates. The strategy sets out the allocation levels across various asset policy groups and is designed to generate sufficient return to continue to pay liabilities as they fall due				
				Full Actuarial Valuation undertaken every 3 years.				
				Ongoing advice from investment consultants etc				
				Regular monitoring of cash flow				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Inability to keep service going due to loss of main office, computer system or staff	Temporary loss of ability to provide service.	Laura C Robertson	12	BC plans covering the F& CS Directorate		8	4	17-Sep-2021
				Hosted contractual arrangement for Altair including Disaster Recovery Plan and Business Continuity Plan				
				Hosted contractual arrangement for ORACLE including Disaster Recovery Plan and Business Continuity Plan				
				Robust maintenance and update of ORACLE.				
				Robust maintenance and update of Altair				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Loss of funds through Fraud or Misappropriation	Financial loss to the fund	Elaine Muir	4	Internal and external audit regularly test that appropriate controls are in place and working effectively		6	3	17-Sep-2021
				Regulatory control reports from investment managers, custodian, etc are also reviewed by audit.				
				Due diligence is carried out when a new Fund Manager is appointed.				
				Reliance is also placed on Financial Conduct Authority registration				
				Regular monitoring of cash flow				
				Performance monitored on an ongoing quarterly basis				
				Newsletter for Pension Scheme members				
				Annual Employer Forum				
				National Fraud Initiative				

				Internal Policies and Procedures in place.				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Employers become unable to participate in scheme due to collapse of private contractors and other bodies admitted into the Fund.	Fund matures more quickly	Elaine Muir	6	Funding Strategy Statement identifies how employers liabilities are best met going forward and contributions are updated in line with funding strategy which is based on a risk approach. Admitted have their own set contribution as determined by the risk based funding strategy and reflective of their own liabilities.		3	3	24-Jun-2021
				Full Actuarial Valuation undertaken every 3 years.				
				Employer Covenant issued by Actuary following actuarial assessment to allow admitted bodies access to the Fund.				
				Ongoing communication with employers				
				Due diligence is carried out when a new Fund Manager is appointed.				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Significant rises in employer contributions due to poor/negative investment returns	Poor/negative investment returns leading to increased employer contribution rates.	Elaine Muir	16	Performance monitored on an ongoing quarterly basis		3	3	24-Jun-2021
				Diversified range of investment managers over different asset classes				
				Investment Strategy is a key determinant of funding level, risk and volatility of employer contribution rates. The strategy sets out the allocation levels across various asset policy groups and is designed to generate sufficient return to continue to pay liabilities as they fall due				
				Ongoing advice from investment consultants etc				
				External investment advice				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure of Global Custodian	Financial loss to the fund. Loss of information.	Elaine Muir	5	Legal agreement with Custodian		4	4	17-Sep-2021
				Credit Rating monitored on an ongoing basis				
				Regulated by Financial Services Authority				
				Assets not on Custodian balance sheet				
				Performance monitored on an ongoing quarterly basis				
				IT contacts are managed and reviewed in line with industry best practice				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure of Investment Manager to manage equities and other investments. Council's management of the contract with Investment manager.	Financial loss to the fund	Elaine Muir	4	Ongoing advice from investment consultants etc		3	3	24-Jun-2021
				Performance monitored on an ongoing quarterly basis				
				Diversified range of investment managers over different asset classes				
				External investment advice				
				Investment Strategy is a key determinant of funding level, risk and volatility of employer contribution rates. The strategy sets out the allocation levels across various asset policy groups and is designed to generate sufficient return to continue to pay liabilities as they fall due				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to comply with LGPS and other Regulations	Wrong pension payments made or estimates given. New scheme and regulations not fully known therefore staff will be unfamiliar	Laura C Robertson	9	Verification process in place within Pensions section, ongoing staff training undertaken.		6	2	08-Sep-2021
				Altair configured based on processes which are aligned to legislation ensuring compliance				
				iConnect allows verification of records from ORACLE to Altair				
				Ongoing advice from investment consultants etc				
				Due diligence is carried out when a new Fund Manager is appointed.				
				Consultation with Peer Groups				
				In the short term advice can be sought				
				Internal and external audit regularly test that appropriate controls are in place and working effectively				
				Regulatory control reports from investment managers, custodian, etc are also reviewed by audit.				
				Staff training and development and checking of work				
				Provision of training				
				External investment advice				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to hold personal data securely	Data lost or compromised Reputational risk.	Laura C Robertson	6	Data Protection Act procedures adhered to and all staff have completed appropriate mandatory DPA training		3	3	24-Jun-2021
				Secure communications channels in place				

				System access controlled				
				Altair complies with the appropriate ISO standards require by a hosted system				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to keep pension records up to date and accurate	Incorrect records leading to incorrect estimates being issued and potentially incorrect pensions being paid	Laura C Robertson	9	Ongoing communication with employers		6	3	24-Jun-2021
				Verification process in place within Pensions section, ongoing staff training undertaken.				
				iConnect allows verification of records from ORACLE to Altair				
				Members self-service gives members the opportunity to check and update their own records				
				Robust maintenance and update of Altair				
				Robust maintenance and update of ORACLE.				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Committee and board members have inadequate knowledge and understanding.	Detrimental decisions made in relation to the Pension Fund and management of the fund	Elaine Muir	8	Provision of training		8	4	08-Sep-2021
				External investment advice				
				Consultation with Peer Groups				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Over reliance on key officers	If an officer leaves or falls ill knowledge gap may be difficult to fill.	Laura C Robertson	16	Key officers transfer specialist knowledge to colleagues		6	3	06-Sep-2021
				In the short-term advice can be sought				
				Ongoing advice from investment consultants etc				
				Consultation with Peer Groups				
				Sufficient staff cover arrangements				
				Staff training and development and checking of work				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Failure to communicate properly with stakeholders	Scheme members not aware of their rights resulting in bad decisions Employers not aware of regulations, procedures, etc.	Laura C Robertson	8	Pensions website		2	2	24-Jun-2021
				Regular updates for employers				
				Newsletter for Pension Scheme members				
			Annual Employer Forum					

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
The committee will not have a quorum able to meet and undertake the business scheduled to be considered at the meeting.	Meetings do not go ahead and decision making is delayed to subsequent meetings resulting in delay in implementation of any proposals or policy matters.	Elaine Muir	12	Committee workplan and dates agreed in advance		4	4	17-Sep-2021
				Meetings held virtually using MS Teams				
				Committee scheduling to avoid clashes with other Council committees				
				Standing Orders				

Risk Description	Impact	Risk Owner	Original Risk Score	Internal Controls Description and Effectiveness Status	Current Risk Score	Target Risk Score	Risk Last Updated	
Cyber security attack	Cyber security attack could compromise the system and the data held in the system resulting in security breaches, noncompliance with legislation, potential fraud and criminal offences. Attacks could also mean the system cannot be used and as a result a service cannot be provided	Elaine Muir	16	Certificates of compliance with Cyber Essentials scheme and ISOs from software suppliers		12	6	17-Sep-2021
				Cloud hosting of software				
				Fife Council data and security arrangements				
				Cyber Essentials training for all staff				

28th September, 2021

Agenda Item No. 7

Fife Pension Fund - Budgetary Control

Report by: Eileen Rowand, Executive Director, Finance and Corporate Services

Wards Affected: All

Purpose

The purpose of this report is to provide the sub-committee with details of the provisional outturn of the Pension Fund for 2020-21 and Budget for 2021-22

Recommendation(s)

The sub-committee is asked to:-

- Note the provisional outturn for 2020-21
- Agree the indicative budget for 2021-22
- Note that further reports in relation to the financial position of the Fund will be brought forward on a bi-annual basis.

Resource Implications

Throughout 2020-21, the fund remained cash-flow positive from activities dealing with members with a net addition of £14.197m experienced. The fund did experience a net withdrawal of £3.158m as management expenses were greater than the net addition, however, the investment income generated was more than sufficient to cover this. The fund experienced a significant change in value of £768m as a result of strong investment performance and investment returns.

Fluctuations in market rates and movements in investment valuations have a direct impact on the pension fund. In addition, expenditure greater than income generated will also impact on the fund.

Legal & Risk Implications

There are no direct legal implications arising from this report. However, there is a risk that the actual audited outturn will vary from the projected outturn contained in the report.

Impact Assessment

An EqIA checklist is not required because the report does not propose a change or revision to existing policies and practices.

None

1.0 Background

- 1.1 The report presents the provisional outturn position for 2020-21 for the Pension Fund, provides commentary on the budget compared to the provisional position for the year and analysis of significant variances. The provisional outturn position is extracted from the draft Annual Report and Accounts which were considered by Committee on 29th June 2021.
- 1.2 The report also presents details of the indicative budget for 2021-22.
- 1.3 The report is intended to present the revenue account of the fund, however, it should be noted that in some items of income and expenditure are out with the control and influence of the Pension Fund. Reports outlining details of the revenue account will be presented to this Committee on a bi-annual basis in line with best practice.

2.0 Provisional Outturn 2020-21

- 2.1 Appendix 1 details the 2020-21 provisional outturn compared to budget estimates. The appendix shows a provisional net increase in the Fund of £767.964m, a positive variance from budget of £141.840m. Some of the main issues which contribute to this variance are detailed below.
- 2.2 **Contributions received from Employers / Employees**
As reported previously to this Committee, contributions received were greater than budgeted by £1.070m. The budgeted figure was estimated based on the contributions received as at the end of June 2020 however the actual value of contributions varies from month to month resulting in this variance.
- 2.3 **Pension Payments**
Pension Payments in the year were also greater than budget by £1.049m. As with the contributions budget, this was set using the pensions paid as at the end of June 2020 but variations in payments during the year has resulted in this variance.
- 2.4 **Pension Lump Sum Benefits**
Lump Sum Benefits were lower than budgeted levels by £3.028m. This budget is included as a guide to members of the likely costs and is based on previous year trend analysis. The actual costs incurred are linked largely to employer's workforce change scheme and are dependent on the circumstances of each individual employee.
- 2.5 **Transfers to and from other Schemes**
Transfers to other Schemes are greater than budgeted by £3.976m. These budgets are very difficult to predict with any accuracy, and again are included as a guide based the fund experience in previous years. During the year, Visit Scotland membership transferred to Lothian Pension Scheme resulting in this larger than anticipated variance.

2.6 Investment Management Expenses

These costs have been subdivided into 4 parts: -

- Management Fees
- Performance Related Fees
- Custody Fees
- Transaction Costs

The management fees and performance related fees are linked to market values and increase or decrease in line with the investment returns. Both costs are greater than budget reflecting the increase in the value of the investments in 2020-21.

These overspends are offset by Transaction Costs being less than was budgeted for. These costs vary from portfolio to portfolio depending on the type of investment managed and again the budget is a guide only.

The Fund has received information on indirect costs from all the fund managers in 2020-21, the majority completing Cost Transparency Initiative (CTI) templates. Total Investment Management Expenses contained in Appendix 1 is £14.594m of which £8.856m relates to indirect fees.

Where appropriate fees incurred by the Pension Fund are agreed with fund managers when signing up to new mandates and these are documented in Investment Management Agreements.

2.7 Net Returns on Investment

This heading represents the profit and losses on disposal of investment and changes in the market value of investments. This is dependent largely on the performance of financial markets and it is impossible to predict accurately. Markets have recovered well from the fall at the end of 2019-20 as a result of the global pandemic with the value of the fund's holdings increasing by £670.727m a net increase of £767.964m bringing the fund total at the end of the financial year to £3,303.552m.

3.0 Indicative Budget 2021-22

3.1 The majority of expenditure and income is out with the control and influence of the Pension Fund therefore it is difficult to predict the budgets with any level of certainty. On this basis, an indicative budget for 2021-22 is prepared and also detailed in Appendix 1. The significant assumptions made in calculating this budget are detailed below.

3.2 Contributions Received from Employers / Employees

Contributions received are expected to increase as a result of pay awards and changes in membership. The budget has been set based on actual contributions received in the first 3 months of this financial year.

3.3 Pension Payments

Pension payments are expected to rise as a result of CPI increases and changes in membership. As with the contributions budgets this budget has been set based on the payments made in the first 3 months of this financial year.

3.4 **Lump Sum Benefits**

These budgets are linked to employers' workforce change scheme and are dependent on the circumstances of each individual employee. The budget for 2021-22 has been included as a guide to members and has been set using trend analysis from previous years.

3.5 **Transfers to and from other Schemes**

These budgets are very difficult to predict with any accuracy as they are dependent on member choices in any financial year. The budget has been set as a guide to members using previous year's trend analysis.

3.6 **Investment Management Expenses**

These costs are linked to market values and as such are difficult to predict with any accuracy. The budget for this year has been set using previous year's trend analysis, current year data and the information received in the CTI templates from the fund managers at the end of 2020-21.

3.7 **Net Returns on Investments**

These costs are linked to market values and increase or decrease in line with the investment returns, as such they are impossible to predict with any accuracy. The Investment Strategy provides an Investment Objective to achieve a return of at least gilts +2.4% per annum. Based on this objective, it would be expected that the investment returns would be an increase to the fund of £118.900m.

3.8 **Administrative and Oversight and Governance Costs**

There is a degree of control over these costs as they represent the internal administration costs along with the costs associated with our external advisors. Again the budgets for these are calculated using previous year's trend analysis.

4.0 **Conclusions**

4.1 The provisional outturn for 2020-21 shows net withdraws from the fund of £3.158m from the dealings with members and a net increase on investments of £771.122m, resulting in a provisional net increase in the value of the Fund of £767.964m.

4.2 The indicative budget for 2021-22 shows net withdrawals of £2.070m from the dealings with members and a net return on investments of £143.640m, resulting in a projected net increase in the value of the Fund of £141.570m.

List of Appendices

1. Appendix 1 – 2020-21 Provisional Outturn and 2021-22 Indicative Budget

Background Papers

No background papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973.

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Fife Pension Fund
2020-21 Provisional Outturn and 2021-22 Indicative Budget

	Note	Budget	Provisional Outturn	Variance	Budget
		£m	£m	£m	£m
Dealings with members, employers and others directly involved in the fund					
Contributions Received		(101.850)	(102.920)	(1.070)	(105.120)
Additional Contributions from Employers		(2.910)	(2.843)	0.067	(3.000)
Transfers from Other Schemes		(2.650)	(2.335)	0.315	(2.880)
		(107.410)	(108.099)	(0.689)	(111.000)
Pension Payments		68.450	69.499	1.049	71.340
Lump Sum Benefits		19.860	16.832	(3.028)	19.770
Refund of Contributions		0.250	0.193	(0.057)	0.230
State Premium Schemes		0.030	0.001	(0.029)	0.020
Transfers to Other Schemes		3.400	7.376	3.976	4.370
		91.990	93.901	1.911	95.730
Net (additions)/withdrawals from dealings with members		(15.420)	(14.197)	1.223	(15.270)
Administrative Costs		1.870	1.874	0.004	1.930
Oversight and Governance Costs		0.600	0.887	0.287	0.830
Investment Management Expenses:-					
Management Fees		7.900	9.427	1.527	9.440
Performance Related Fees		1.070	2.399	1.329	2.390
Custody Fees		0.480	0.184	(0.296)	0.180
Transaction Costs		3.530	2.584	(0.946)	2.570
Net (additions)/withdrawals including fund management expenses from dealing with members		0.030	3.158	3.128	2.070
Returns on investments					
Investment Income		(24.590)	(24.222)	0.368	(24.920)
Taxes on income		0.160	0.165	0.005	0.180
Profit and losses on disposal of investments and changes in the market value of investments	1	(91.300)	(747.065)	(655.765)	(118.900)
Net return on investments		(115.730)	(771.122)	(655.392)	(143.640)
Net (increase)/decrease in the net assets available for benefits during the year		(115.700)	(767.964)	(652.264)	(141.570)
Opening net assets of the scheme at 1 April 2019		(2,535.587)	(2,535.587)		(3,303.552)
Net increase/(decrease) in the Fund		(115.700)	(767.964)	(652.264)	(141.570)
Closing net assets of the scheme at 31 March 2020		(2,651.287)	(3,303.552)	(652.264)	(3,445.122)

Note 1

The Profit and losses on disposal of investments and changes in the market value of investments is subdivided as follows:

	£m
Profit or Loss on the disposal of investments	(489.402)
Changes in Market Value	(257.663)
	<u>(747.065)</u>

Superannuation Fund and Pensions Committee and Fife Pension Board

Forward Work Programme as of 22/09/2021 1/2

Superannuation Fund and Pensions Sub-Committee and Fife Pension Board of 7th December 2021			
Title	Service(s)	Contact(s)	Comments
Pension Fund Projected Outturn report		Anne Bence	Half yearly report - due December 2021
Pension Fund Administration Monitoring		Fiona Clark, John Mackie	
Audited Accounts		Elaine Muir	Assuming External Audit complete in time.
Update on Audit Plan and summary of Audit Reports	Finance and Corporate Services		Pamela Redpath
Post Audit Review	Finance and Corporate Services	Carolyn Ward	Pamela Redpath

Superannuation Fund and Pensions Sub-Committee and Fife Pension Board of 8th March 2022			
Title	Service(s)	Contact(s)	Comments
Minutes	Finance and Corporate Services	Wendy Macgregor	Committee and Fife Pension Board - from meeting 07.12.21
Superannuation Fund and Pensions Committee Forward Work Programme	Finance and Corporate Services	Wendy Macgregor	

Unallocated			
Title	Service(s)	Contact(s)	Comments
Joint Investment Strategy Panel Activity		Elaine Muir	Annual Report
CEM Benchmarking and Cost transparency Initiative	Finance and Corporate Services		Annual Report
Risk Management	Finance and Corporate Services	Elaine Muir	Reporting frequency to be confirmed.
Hermes Equity Ownership Services (EOS) (due 15/12/2020)	Finance and Corporate Services	Karen Balfour	Last reported 30th June, 2020 (Bi-annual update) TBC To be covered in a separate

Superannuation Fund and Pensions Committee and Fife Pension Board

Forward Work Programme as of 22/09/2021 2/2

Unallocated			
Title	Service(s)	Contact(s)	Comments
			session - Date to be confirmed - tie in with Fossil Fuels Investment.
Audit Reports TBC	Finance and Corporate Services	Carolyn Ward	Itemise reports once committee dates finalised. Pamela Redpath/Carolyn Ward.
Pension Administration - KPI Review		Laura C Robertson	TBC
FIFE PENSION FUND - STATEMENT OF RESPONSIBLE INVESTMENT PRINCIPLES - UPDATE		Elaine Muir	progress report following implementation of SRIP - agreed at Committee on 29.06.21 - expected by end of 22.