
INFORMATION UPDATE

Briefing Paper by Chief Financial Officer

PENSION FUND COMMITTEE & PENSION BOARD

8 March 2018

1 PURPOSE AND SUMMARY

- 1.1 **This briefing paper is to provide members of the Committee and the Board with an update on a number of areas which are being monitored and areas where work is progressing. Full reports on the individual areas will be tabled as decisions and actions are required.**

2 GMP Reconciliation

- 2.1 Stage 1 of the GMP Reconciliation has been completed by ITM Limited on behalf of Scottish Borders Council. Data extracts were produced from the Scottish Borders Council pensions system on 9 January 2018. ITM were granted access to the HMRC eroom on 19 January 2018.
- 2.2 Scottish Borders Council received the first project update report on 15 January 2018 and these are summarised below:-

%	Position
28	Percentage of fund members have been reconciled
31	Percentage of fund members who are out with the scope for reconciliation. Generally members who have no liability under the scheme having either pre 6 April 1978 service only or only post 5 April 2016 service.
41	Percentage of fund members who are still unreconciled. These are awaiting data from HMRC or further investigation is required by gathering historic payroll details

- 2.3 The table over the page outlines the baseline figures for Scottish Borders Council and will be used to report on progress throughout the duration of the

project

Status	Reconciled			Unreconciled			Other
	No GMP liability	Exact match	Within tolerance	Awaiting data from client	Awaiting data from HMRC	Further review	N/A record
Active	2,088	94	43	-	-	1,610	514
Deferred Post GMP Age	63	3	4	-	-	77	-
Deferred Pre GMP Age	1,228	302	77	-	-	928	-
Pensioner Post GMP Age	436	510	677	-	12	963	-
Pensioner Pre GMP Age	96	110	58	-	-	120	-
Widow(er)	24	17	56	-	105	207	-
Unlinked dependant	-	-	-	-	-	55	-
Total on admin	3,935	1,036	915	-	117	3,960	514
Other admin	-	-	-	-	7	1,701	5,500
HMRC only	-	-	-	-	46	2,753	458
Total reported cases	3,935	1,036	915	-	170	8,414	6,472

- 2.4 The next stage of the project is the reconciliation of discrepancies between HMRC and Scottish Borders Council pension records for Active or Deferred members and Pensioners. The initial file with queries was sent to HMRC on 14 February 2018. Scottish Borders Council will receive monthly updates on the progress of the GMP Reconciliation exercise from ITM Limited.

3 PROGRESS ON INVESTMENT STRATEGY IMPLEMENTATION MANAGERS

- 3.1 The revised Investment Strategy approved in September 2016 and then updated on 16 March 2017 to include an allocation to infrastructure resulted in a 3 new managers and the requirement to rebalance a number of investment categories.

- 3.2 The table below details the progress to date on the movements up to 28 February 2018.

Category	Manager	Required move	Position
Long Lease Property	Blackrock	New allocation of 10%	Full original allocation of £60m now invested. Due to rise in equity 10% now £70M
Private Credit	Partners/Permira	New allocation of 10%	£31m invested, due to rise in equities 10% requires further £39m to be invested
Infrastructure	Collaboration with Lothian Pension Fund	New allocation of 5%	Initial allocation of £2.4m complete, balance of £33m to invest

4 SCHEME ADVISORY BOARD UPDATE

- 4.1 Meeting held on 24th January 2018 covering the following items

- Structure review – following as response from Scottish Ministers they are looking to take forward the review looking at 4 possible options.
- Audit Scotland overview of funds
- Governance Review
- Annual report
- Regulations
- Pensions developments

4.2 The bulletin of the meeting is attached for information. There is no date for the next meeting.

5 TRAINING OPPORTUNITIES

5.1 Training events held during the year have been well attended by both Board and Committee Members. The training policy requires Members to attend 2 training events per year. To date 6 Committee Members and 6 Board Members have attended 2 or more training events.

5.2 The Trustee Toolkit has now been completed by 5 Committee Members and 7 Board Members. The training policy requires all Members to have completed the Toolkit within 6 months of joining the Committee or Board. The monitoring of this target will be reported to the Committee in the Training report in June and will be included in the Pension Fund Annual Report.

6 FUTURE MEETING DATES

6.1 The next meeting is 14th June. The dates for future meetings are currently being finalised for formal approval at Council 29 March 2018. The table below provides the provisional dates of the future meetings.

Meeting	Date
Joint Pension Fund Committee and Pension Fund Board	14 June 2018
	13 August 2018
	6 December 2018
	7 March 2019
	13 June 2019
Performance & Investment Sub Committee	27 August 2018
	25 February 2019

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