

SCOTTISH BORDERS COUNCIL
PENSION FUND COMMITTEE
AND PENSION BOARD

MINUTES of Meeting of the PENSION FUND
COMMITTEE AND PENSION BOARD held
in Council Chamber, Council Headquarters,
Newtown St Boswells on Thursday, 3
September, 2015 at 10.45 am

Present:- Councillors B White (Chairman), A Aitchison, J Campbell, G Edgar, G Logan, S Mountford, Mr A Barclay, Ms R Black, Mr M Drysdale, Ms L Ross, Ms C Stewart.

Apologies:- Councillors M Cook, J Mitchell, Mr C Hogarth, Mr P Smith.

In Attendance:- Chief Financial Officer, Corporate Finance Manager, HR Shared Services Manager, Treasury & Capital Manager, Chief Officer Audit & Risk, Mr K Ettles – AON Hewitt Consulting, Democratic Services Officer (J Turnbull).

1. **ORDER OF BUSINESS**

The Chairman varied the order of business as shown on the agenda and the Minute reflects the order in which the items were considered at the meeting.

2. **MINUTE**

There had been circulated copies of the Minute of the Meeting of 18 June 2015.

DECISION:

NOTED for signature by the Chairman.

3. **PENSION ADMINISTRATION STRATEGY**

There had been circulated a report by Chief Officer Human Resources proposing the revised Pension Administration Strategy for the Scottish Borders Council Pension Fund. The Pension Fund was required by the Local Government Pension Scheme (Scotland) Regulations 2014 to have an up to date Pension Administration Strategy. Implementation of the revised regulations, effective from 1 April 2015, had triggered a review of the revision of the existing document. Appendix 1 to the report contained the revised Pension Administration Strategy which contained only minor amendments to the previously approved document. Mr Angus, HR Shared Services Manager, highlighted the minor changes which included changes to the timescale for issuing the annual benefit statements from October to August and completion of Transfer In and Transfer Out of the Scheme from 10 to 20 days.

DECISION

AGREED the Pension Administration Strategy as set out in Appendix 1 to the report.

4. **ANNUAL AUDIT OF THE PENSION FUND**

Ms Mirley, Corporate Finance Manager, advised that the Annual Report and Accounts had not been finalised. However, there was no material difference to the draft which had been presented to the Committee in June. The Annual Report and Accounts would be presented to Audit & Risk Committee at the meeting on 28 September 2015. Following the meeting, Ms Mirley would forward copies of the Annual Report and Account to members of the Pension Fund Committee and Pension Board for information.

DECISION

AGREED to request the Corporate Finance Manager, circulate the Annual Report and Accounts when finalised.

5. TRAINING UPDATE

There had been circulated a report by the Corporate Finance Manager updating on the training opportunities that were available over the next few months and identifying budgetary provision for these. The report reiterated the requirement for members of both the Pension Fund Committee and the Pension Board to demonstrate an ongoing commitment to developing their knowledge and skills in line with the Training Policy, and in support of this identified two external courses that were specifically for Scottish Local Government Pension Scheme (LGPS) Funds. The dates of these events were 9 October, 19 and 20 November 2015, both were to be held in Edinburgh. It was proposed that to support the training agenda for the Pension Fund a budget of £10,000 per annum be identified to support activities for the continued development of the members' skills and knowledge. Ms Mirley referred to the Appendix, circulated with the report, which detailed the Programme and Speaker Biographies for the Training Seminar to be held on 9 October 2015. Ms Mirley also highlighted the proposed Conference scheduled for 19 and 20 November and explained that this would be relevant to both new Pension Board members and more experienced members of the Pension Fund Committee. Once the Conference Programme had been issued, it would be circulated. Any members interested in attending either event should contact Ms Mirley.

DECISION

(a) AGREED the creation of an annual training budget of £10,000 for members of the Pension Fund Committee and Pension Board; and

(b) NOTED the external training dates identified in the report and encouraged members of the Pension Fund Committee and Pension Board to make the necessary time to develop their skills and knowledge through these.

6. RISK REGISTER UPDATE

There had been circulated a report by the Treasury and Capital Manager providing the Pension Fund Committee with an updated Risk Register for approval. Identifying and managing risk was a corner stone of effective management and was required under the Council's Risk Management Policy and process guide and CIPFA's guidance "Delivering Governance in Local Government Framework 2007". It was further reflected and enhanced in the "Local Government Pension Scheme" published by CIPFA. The Risk Register, circulated at the meeting, included the scoring which had been agreed at the Workshop prior to the meeting. The Risk Matrix, also circulated at the meeting, had also been discussed and updated at the Workshop it was noted that the Committee would: Tolerate – Accept risk with current controls and review; Treat – Implement mitigating actions to reduce likelihood and/or impact and review; Transfer – the risk to a third party or insurance; and Terminate – Change the course of action and avoid the risk.

7. In light of the Council's revised Risk Management Policy (2015) it was proposed to adopt an amended reporting cycle for the Pension Fund Risk Register and this is set out below.

Quarterly	Key risks, escalation of any risks that were perceived to have changed adversely and any new risks needed to be considered by the Committee. Update on progress of risk management action delivery.
Bi-Annually (in December)	Key risks, escalation of any risks that were perceived to have changed adversely and any new risks needed to be considered by the Committee. Update on progress of risk management action delivery.
Annually (in June)	Annual reporting on progress with Risk Management Actions and approval of fully reviewed Risk Register

including consideration of any new risks.

DECISION

AGREED

- (a) The Risk Register as circulated at the Meeting;
- (b) The revised reporting cycle set out above; and
- (c) A key risk review being undertaken in December 2015 and reporting of progress on risk management actions.

8. **ITEMS LIKELY TO BE TAKEN IN PRIVATE**

DECISION

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business contained in the following items on the ground that they involved the likely disclosure of exempt information as defined in paragraphs 6 and 8 of the part 1 of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

9. **MINUTE**

The Committee noted the Private Minute of the meeting of 18 June 2015.

10. **QUARTER PERFORMANCE UPDATE**

The Committee noted a report by AON Hewitt Consulting.

11. **GLOBAL EQUITY MANAGER UPDATE**

The Committee noted a report by the Chief Financial Officer.

12. **UBS**

The Committee noted that this report would be deferred to the December meeting.

The meeting concluded at 12.10 pm.