

SCOTTISH BORDERS COUNCIL PENSION FUND COMMITTEE AND PENSION BOARD

MINUTES of Meeting of the PENSION
FUND COMMITTEE AND PENSION
BOARD held via Microsoft Teams on
Wednesday, 17 January 2024 at 11.30am.

- Present:- Councillors D. Parker (Chairman), D. Moffat, S. Mountford, and S. Scott
(Pension Fund Committee Members)
- Councillor J. Pirone, Mr A. Daye, Ms K Robb (Pension Board – Scheme
Employer Representatives), Mr D. Bell, Mr M. Everett and Ms K M Hughes
(Pension Board – Scheme Member Representatives)
- Apologies:- Councillors L. Douglas and C. Hamilton
- In Attendance: Chief Executive, Director – Finance and Procurement, Chief Officer – Audit
and Risk, HR Shared Services Manager, Democratic Services Team Leader.
- Also in Attendance: Mr A Ross (Isio), Mr A Singh, (Isio), Ms E Carrigan (Audit Scotland)

1. **PENSION FUND EMPLOYERS (SCOTTISH BORDERS COUNCIL) CONTRIBUTION RATE**

There had been circulated copies of a report by the Director – Finance and Procurement which provides the details of a proposal for setting the Scottish Borders Council employers contribution rate from 2024/25 onwards. The report would be referred on to Scottish Borders Council to be considered as part of the 2024/25 financial planning process. As part of the key risk management activities of the Pension Fund, a triennial actuarial revaluation exercise was undertaken. That exercise ensured that the Fund complied with legislation, analysed actual experiences versus assumptions over the previous 3 year period, reviewed the funding strategy statement, was part of the continual health check on the solvency of the Fund and was used to calculate the employer contribution rates. The last triennial revaluation was undertaken by Hymans Robertson based on the position at 31st March 2020 when the fund was assessed as being 110% funded. On commencing the revaluation process for 2023, an assessment had been made on asset and liability movements since 2020 up to 31st March 2023. The Fund had experienced significant asset returns in the first half of the inter-valuation period, due to the bounce-back from the Covid-19 market fall in February/March 2020. That positive picture had been compounded by a material fall in liability values in the second half of the inter-valuation period due to rising interest rates. The most recent revaluation assessed the fund to be 134% funded. A range of scenarios considering contribution rates had been undertaken and based on those it was recommended that, in order to recognise the positive results from the triennial revaluation but to maintain an appropriate level of prudence, that the Scottish Borders Council contribution rate moved to 17% from 2024/25 through to 2027/28. That position would be kept under review annually. Members of the Pension Fund Committee welcomed the report and highlighted that the Fund had been well-managed through the valuation period. In response to a question regarding whether the recommendation in the report referred to all employers within the pool rate or solely SBC, the HR Shared Services Manager confirmed that all employers in the SBC pool would be covered by the change to 17%. In response to a question regarding what the capital saved from the lower contribution rate would be utilised for, the Director Finance and Procurement explained that the

saving would be used to assist the council in its budget setting for 2024/25. It was stressed that the decision of the Committee had to be focused on the best interests of the Fund, and that the financial situation of SBC should not have a bearing on the setting of the contribution rate. The Chief Officer – Audit and Risk outlined that Hymans Robertson had taken into account a significant range of risk factors as part of their scenario modelling and that work would be reflected in the risk register accordingly.

DECISION

AGREED:-

- (a) to note the revaluation process undertaken by Hymans Robertson;**
- (b) to note the contribution rate scenarios modelled; and**
- (c) that the requested level of contribution from the Scottish Borders Council pool rate from 2024/25 was 17%**

The meeting concluded at 11.45 a.m.