

Minute

Pension Fund Sub-committee, together with Pension Board

Wednesday, 12 June 2019, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Pension Fund Sub-committee:

Councillors W Leslie Manson, Alexander G Cowie, Rachael A King, Stephen Sankey, Graham L Sinclair and James W Stockan.

Pension Board:

Employer Representatives:

Councillors Owen Tierney and Duncan A Tullock, Orkney Islands Council.
Andrew Blake, Orkney Ferries Limited.

Trade Union Representatives:

Karen Kent (Unison) and Eoin Miller (Unite).

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Gareth Waterson, Head of Finance.
- Colin Kemp, Corporate Finance Senior Manager.
- Bryan Hay, Pensions Manager (for Items 1 and 2).
- Shonagh Merriman, Accounting Manager (Corporate Finance).
- Michael Scott, Solicitor.

Apologies

Pension Sub-committee:

- Councillor Steven B Heddle.

Pension Board:

Employer Representative:

- Councillor J Harvey Johnston, Orkney Islands Council.

Trade Union Representatives:

- Sally George (Unison).
- Mark Vincent (GMB).

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor W Leslie Manson.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 3, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

2. Pensions Administration – Performance

After consideration of a report by the Head of Finance, copies of which had been circulated, the Sub-committee:

Noted:

2.1. That the Orkney Islands Council Pension Fund invested and administered pensions on behalf of six current and former employers, including Scheduled Bodies brought into the Fund by legislation and Admitted Bodies who were permitted to join the Fund.

2.2. Pension Fund administration performance for the period 1 April 2018 to 31 March 2019, as detailed in sections 4 to 11 of the report by the Head of Finance.

3. Statement of Managed Pension Funds

On the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

3.1. The review of the investment manager's performance for the quarter to 31 March 2019, attached as Appendix 1 to the report by the Head of Finance, prepared by Hymans Robertson, the Council's appointed investment advisors.

3.2. That Pension Fund investments returned a gain of 9.7% over the quarter to 31 March 2019, being 2.9% ahead of benchmark, which was considered excellent.

3.3. That the value of the Pension Fund had increased by 6.2% over the 12-month period to 31 March 2019, being 1.9% behind the benchmark, which was considered poor performance.

3.4. That an average return of 10.4% per annum for the Pension Fund remained 1.7% ahead of the benchmark over the five-year period.

3.5. The performance review commentary provided by the Fund Manager, attached as Appendix 2 to the report by the Head of Finance.

3.6. The Governance Summary extracted from the Fund Manager's performance report for the quarter ending 31 March 2019, attached as Appendix 3 to the report by the Head of Finance.

3.7. The Multi-Asset Stewardship report from the Fund Manager for the quarter ending 31 March 2019, attached as Appendix 4 to the report by the Head of Finance.

4. Conclusion of Meeting

At 11:30 the Chair declared the meeting concluded.

Signed: L Manson.