

## **Item: 19**

**Pension Fund Sub-committee, together with Pension Board: 18 May 2023.**

### **1. Recommendations**

It is recommended:

#### **1.1.**

That the Committee approves the attached minute as a true record.

### **2. Appendix**

Draft Minute of the Meeting of the Pension Fund Sub-committee, together with Pension Board, held on 18 May 2023.

## Minute

### **Pension Fund Sub-committee, together with Pension Board**

Thursday, 18 May 2023, 09:15.

Council Chamber, Council Offices, School Place, Kirkwall.



## **Present**

### **Pension Fund Sub-committee:**

Councillors Heather N Woodbridge, P Lindsay Hall, Steven B Heddle, Kristopher D Leask and James W Stockan.

### **Pension Board:**

#### **Employer Representatives:**

Councillors Graham A Bevan, James R Moar and Owen Tierney, Orkney Islands Council.

#### **Trade Union Representative:**

Karen Kent (Unison), Eoin Millar (Unite) and Eileen Swanney (Unison).

## **Present via remote link (Microsoft Teams)**

### **Pension Fund Sub-committee:**

Councillor Mellissa-Louise Thomson.

## **Clerk**

- Sandra Craigie, Committees Officer.

## **In Attendance**

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration.
- Erik Knight, Head of Finance.
- Shonagh Merriman, Service Manager (Corporate Finance).
- Katie Gibson, Team Manager (Corporate Finance).
- Paul Maxton, Solicitor (for Items 2 to 5).

### **Hymans Robertson:**

- David Walker, Partner.

## **Apology**

- Councillor Rachael A King.

## **Not Present**

### **Pension Board:**

### **Trade Union Representatives:**

- Mark Vincent (GMB).

## **Declarations of Interest**

- No declarations of interest were intimated.

## **Chair**

- Councillor Heather N Woodbridge.

## **1. Disclosure of Exempt Information**

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 4 as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

Councillors Steven B Heddle and James W Stockan joined the meeting at this point.

## **2. Annual Audit Plan**

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Director for Enterprise and Sustainable Regeneration, the Sub-committee:

Noted the external audit annual plan for 2022/23 in respect of the Council's Pension Fund, prepared by KPMG, attached as Appendix 1 to the report by the Head of Finance.

Karen Kent joined the meeting during discussion of this item.

## **3. Pension Fund Administration – Performance**

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

Scrutinised Pension Fund administration activities, together with performance against key service standards, for the period 1 April 2022 to 31 March 2023, as detailed in sections 4 to 9 of the report by the Head of Finance and obtained assurance.

## **4. Statement of Managed Pension Funds**

On the motion of Councillor Heather N Woodbridge, 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 Service Manager (Corporate Finance), the Sub-committee:

Noted:

**4.1.** The investment monitoring report for the Pension Fund produced by Hymans Robertson, the Council's appointed investment advisor, attached as Appendix 1 to the report by the Head of Finance, relating to the performance of managed funds for the quarter to 31 March 2023.

**4.2.** That the Pension Fund investments returned a gain of £13,800,000, or 3.5% over the quarter to 31 March 2023, which was 0.5% ahead of benchmark and was considered good.

**4.3.** That the value of the Pension Fund had decreased by 5.9% over the 12-month period to 31 March 2023, which was 4.1% behind benchmark over that period and was considered very poor.

**4.4.** That an average return of 5.1% per annum for the Pension Fund remained positive but was marginally behind the benchmark over the five-year period and therefore behind target, which was to outperform the aggregate benchmark.

**4.5.** The Governance Summary extracted from Baillie Gifford's investment report for the quarter ending 31 March 2023, attached as Appendix 2 to the report by the Head of Finance.

**4.6.** The extract from IFM Global Infrastructure's quarterly investor report, showing the responsible investment update for the quarter ending 31 March 2023, attached as Appendix 3 to the report by the Head of Finance.

**4.7.** The Corporate Governance Summary extracted from Legal and General's investment report for the quarter ending 31 March 2023, attached as Appendix 4 to the report by the Head of Finance.

Councillor James W Stockan left the meeting during discussion of this item.

## **5. Conclusion of Meeting**

At 09:56 the Chair declared the meeting concluded.

Signed: Heather N Woodbridge.