

Minutes

Pensions Committee

10.00am, Tuesday, 17 June 2014

Present

Councillor Rankin (Convener), John Anzani, Councillor Bill Cook, Darren May, Councillor Orr and Councillor Rose.

Consultative Panel Members Present:

Helen Carter, Eric MacLennan and John Rodgers

1. Minutes

Decision

To approve the minute of the Pensions Committee of 24 March 2014 as a correct record.

2. Referrals and Recommendations from the Audit Sub-Committee

Councillor Rose advised the Committee of the discussion and decisions taken at the Pensions Audit Sub-Committee the previous day.

(Reference – Pensions Audit Sub-Committee 16 June 2014.)

3. Agenda Planning

An indication was provided of potential reports for future Pensions Committee and Pensions Audit Sub-Committee meetings in 2014 and March 2015.

Decision

To note the report.

(Reference – report by the Director of Corporate Governance, submitted.)

4. Lothian Pension Fund – Internal Audit Monitoring 14/15

This report had been continued from the meeting of 24 March 2014 for further information.

A summary was provided of the audit activity during the six month period covering 1 October 2013 to 31 March 2014 and the proposed annual internal audit plan for 1 April 2014 to 31 March 2015.

Decision

- 1) To note the summary of audit activity covering the six month period to 31 March 2014.
- 2) To note the planned internal audit activity for the year 2014/15.

(Reference – Pensions Committee 24 March 2014 (minute item 4); report by the Director of Corporate Governance, submitted.)

5. Lothian Pension Funds Annual Report 2014 Unaudited

Approval was sought for the unaudited Annual Report for the year ended 31 March 2014 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.

The accounts showed that the Lothian Pension Fund valuation increased from £4,094.6m to £4,377.5m and Lothian Buses Pension Fund had increased from £311.9m to £337.1m. The Scottish Homes Pension Fund had decreased from £140.1m to £136.3m.

Decision

To approve the unaudited Annual Report for the year ended 31 March 2014 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.

(Reference – report by the Director of Corporate Governance, submitted.)

6. Statement of Investment Principles

The revised Statement of Investment Principles for the Lothian Pension Fund, Lothian Buses Fund and Scottish Pension Fund were presented.

Decision

To adopt the revised Statement of investment Principles.

(Reference – report by the Director of Corporate Governance, submitted.)

7. Investment Strategy Panel Activity

An update was provided on the activity of the Investment Strategy Panel for the year to 31 March 2014.

Decision

To note the activities of the Investment Strategy Panel during the financial year 2013/14.

(Reference – report by the Director of Corporate Governance, submitted.)

8. Investment and Funding Update – Lothian Pension Fund

An update was provided on the investments and funding position of the Lothian Pension Fund to 31 March 2014.

Decision

To note the performance, funding update and asset allocation of the Lothian Pension Fund.

(Reference – report by the Director of Corporate Governance, submitted.)

9. Investment and Funding Update – Lothian Buses Pension Fund

An update was given on the investments and funding position of the Lothian Buses Pension Fund to 31 March 2014.

Decision

To note the performance, funding update and asset allocation of the Lothian Buses Pension Fund.

(Reference – report by the Director of Corporate Governance, submitted.)

10. Investment and Funding Update – Scottish Homes Pension Fund

An update was provided on the investments and funding position of the Scottish Homes Pension Fund to 31 March 2014.

Decision

To note the performance, funding update and asset allocation of the Scottish Homes Pension Fund.

(Reference – report by the Director of Corporate Governance, submitted.)

11. Reform of the Local Government Pension Scheme in Scotland and Regulatory Update

An update was provided on the implementation of a new Local Government Pension Scheme in Scotland from 1 April 2015.

Decision

To note the regulatory update.

(Reference – report by the Director of Corporate Governance, submitted.)

12. Risk Management

The Quarterly Risk Overview at 22 May 2014 was provided which highlighted the material risks facing the pension funds and identified any new risks or concerns.

Decision

To note the quarterly Risk Overview.

(Reference – report by the Director of Corporate Governance, submitted.)

13. Appointments – Pensions Audit Sub-Committee

Decision

To appoint Councillor Orr as a member of the Pensions Audit Sub-Committee.

(Reference – report by the Director of Corporate Governance, submitted.)