

Minutes

Pensions Committee

2.00pm, Monday 27 June 2016

Present

Councillor Rankin (Convener), John Anzani, Councillor Maureen Child, Richard Lamont, Councillor Orr and Councillor Rose

Pensions Board Members Present:

Eric Adair, Jim Anderson, Thomas Carr-Pollock, Darren May, John Rodgers and Rucelle Soutar.

1. Minutes

Decision

To approve the minute of the Pensions Committee of 15 March 2016 as a correct record.

2. Referrals and Recommendations from Pensions Audit Sub Committee

Councillor Rose advised the Committee of the discussion and decisions taken at the Pensions Audit Sub-Committee on 22 June 2016.

Decision

To note that the update.

(Minute of Pensions Audit Sub-Committee Committee 2 June 2016 (item 3))

3. Considerations and matters to be raised by the Pensions Board regarding any items on the agenda

Decision

To note the issues raised by the Pensions Board.

4. Agenda Planning

Details were provided of potential reports for future meetings of the Pensions Committee and Pensions Audit Sub Committee meetings in September and December 2016.

Decision.

To note the agenda planning document.

(Reference – report by the Acting Executive Director of Resources, submitted.)

5. Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund Annual Report 2016 (and Financial Statements) Unaudited Accounts

The Unaudited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund was provided.

Decision

- 1) To note the Unaudited Annual Report for the year ended 31 March 2016 for the Lothian Pension Fund, the Lothian Buses Pension Fund and the Scottish Homes Pension Fund.
- 2) To refer the report by the Acting Executive Director of Resources, for information, to the City of Edinburgh Council, in its role as administering authority of the Pension Funds

(Reference – report by the Acting Executive Director of Resources, submitted.)

6. Scheme Advisory Board – Fiduciary Duty

Details were provided of various pieces of legal advice that would be used to develop a legal report and opinion (Opinion) that would be circulated to all 11 Funds in Scotland and would also be sent to the Scottish Government/SPPA for information.

Decision

- 1) To note the verbal update.
- 2) To note that ‘Scheme Advisory Board – Fiduciary Duty’ would be considered at a future meeting of the Pensions Committee.

7. Statement of Investment Principles

Details were provided on the revised Statement of Investment Principles (SIP) for Lothian Pension Fund, Lothian Buses Pension Fund and Scottish Homes Pension Fund (the Funds).

Decision

To adopt the revised Statement of Investment Principles.

(Reference – Pensions Committee 24 June 2015 (Item 1) – report by the Acting Executive Director of Resources, submitted.)

8. Investment Strategy Panel Activity

An update was provided on the activity of the Investment Strategy Panel which had focussed on the implementation of the investment strategies for the three pension funds. The Panel also oversees the performance and asset allocation of the investments.

Decision

- 1) To note the activities of the Investment Strategy Panel during the financial year 2015/16.
- 2) To review the investment strategy panel contract renewal dates with a view to staggering the process.

(Reference – report by the Acting Executive Director of Resources, submitted.)

9. Annual Investment Update – Lothian Pension Fund

An update was provided on the investments and funding position of the Lothian Pension Fund to 31 March 2016. The Fund had produced a return of 6.5% over the year.

Decision

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

(Reference – report by the Acting Executive Director of Resources, submitted.)

10. Annual investment Update – Lothian Buses Pension Fund

An update was provided on the investments and funding position of the Lothian Buses Pension Fund to 31 March 2016. The Fund had produced a return of 3.1% over the year.

Decision

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

(Reference – report by the Acting Executive Director of Resources, submitted.)

11. Annual Investment Update – Scottish Homes Pension Fund

An update was provided on the investments and funding position of the Scottish Homes Pension Fund to 31 March 2016. The Fund had produced a return of 17% over the year.

Decision

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

(Reference – report by the Acting Executive Director of Resources, submitted.)

12. Risk Management Summary

A summary was provided on the Lothian Pensions Fund's risk management procedures, including details on the operational risk register and quarterly risk overview.

Decision

To note the Quarterly Risk Overview.

(Reference – report by the Acting Executive Director of Resources, submitted.)

12. Resolution to consider in private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information as defined in Paragraph 6 of Schedule 7(A) of the Act.

13. Actuarial valuation of employer contributions – Edinburgh World Heritage Trust

Details were provided regarding the affordability constraints faced by Edinburgh World Heritage Trust in meeting the minimum pension contributions for years 2016/17 and 2017/18.

Decision

Detailed in the Confidential Schedule, signed by the Convener, with reference to this minute.

(Reference – report by the Acting Executive Director of Resources, submitted.)