

**The Highland Council
Pensions Committee and Pension Board**

Minutes of Meeting of the **Pensions Committee and Pension Board** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on **Wednesday 12 February 2025 at 9.30 am.**

Present:

Pensions Committee

Mr C Ballance
Mr R Gale
Mrs J Hendry
Ms L Kraft (remote)
Mr B Lobban
Mr D Louden
Mr T MacLennan (remote)
Mr P Oldham
Mrs M Paterson (remote)
Mrs T Robertson

Pension Board

Mr G MacKenzie
Ms E Johnston, GMB

Non Members in attendance:-

Mr J Bruce (remote)
Mr S Coghill (remote)
Mr R Stewart

Officials in attendance:

Mr B Porter, Chief Officer Corporate Finance, Corporate Service
Mr S Fraser, Chief Officer Legal and Governance (Scheme Manager's Joint Secretary)
Mr J Gibson, Trade Unions' Joint Secretary
Ms C Strachan, Pension Fund Manager, Corporate Service
Ms L Harrison, Pensions Accountant, Corporate Service
Mr J Thurlbeck, Corporate Audit Manager, Corporate Service
Mrs L Dunn, Joint Democratic Services Manager, Corporate Service
Mr A MacInnes, Senior Committee Officer, Corporate Service

Also in attendance:

Mr C Gardner, Senior Audit Manager, Audit Scotland
Mr D MacDonald, Unison

An asterisk in the margin denotes a recommendation to the Council. All decisions with no marking in the margin are delegated to the Committee.

Mr D Louden in the Chair

Business

**1. Apologies for Absence
Leisgeulan**

Apologies for absence were intimated on behalf of Mr A MacKintosh of the Pensions Committee and Mr C Munro, Mr N MacDonald and Mr R Fea of the Pension Board.

**2. Declarations of Interest/Transparency Statement
Foillseachaidhean Com-pàirt**

There were no declarations of interest or transparency statements.

**3. Service Plan 2025/26
Plana Seirbheis 2025/26**

There had been circulated Report No. PC/1/25 by the Chief Officer Corporate Finance.

There was commentary on the report by the Pension Fund Manager. In response to a query relating to subscriptions to organisations contained in the pension fund budget, it was advised that the increase in budget provision for 2025/26 compared to last year was due to a subscription to the Local Government Association to employ a person to provide technical support to local government pension schemes in Scotland.

In terms of the budget heading 'other pension fund administrative costs' information would be provided outwith the meeting to Councillor J Hendry on what was included in this budget.

In relation to the rollout of the new Altair payroll system, it was confirmed that in the event anything should go wrong with the rollout, the contingency plan would be to use the Resource Link system to pay scheme members pensions.

In terms of the pension fund work plan (section 3.1 of the report), it was requested that this should include an annual review of the Pension Board constitution.

Thereafter, the Committee **Approved** the:-

- i. Pension Fund Service Plan 2025/26;
- ii. Service work plans (Section 7 and Appendix 1), subject to the inclusion of an annual review of the Pension Board constitution (section 3.1); and
- iii. Pension Fund budget for 2025/26 (Section 9 and Appendix 4).

**4. The Pension Regulator General Code of Compliance
Còd Coitcheann Gèillidh Riaghladair nam Peinnsean**

There had been circulated Report No. PC/2/25 by the Chief Officer Corporate Finance.

In discussion, Officers were commended for the work contained in the report. In terms of Appendix 1 to the report, this referred to appendices that had not been included. Given this was a public document, these appendices should also be included in the report and an undertaking was given that this would be done.

The Committee:-

- i. **Noted** the assessment of Fund compliance with The Pension Regulator (TPR) General Code of Practice (GCoP); and
- ii. **Approved** the action plan to implement improvements to ensure there was compliance with TPR GCoP.

5. Highland Council Pension Fund Internal Audit Annual Plan 2025/26

Plana Bliadhnail In-Sgrùdadh Maoin Peinnsein Chomhairle na Gàidhealtachd 2025/26

There had been circulated Report No. PC/3/25 by the Strategic Lead (Corporate Audit), which provided details of the audits contained within the Pension Fund's 2025/26 Internal Audit Plan.

Following consideration, the Committee **Approved** the 2025/26 Internal Audit Plan as set out in section 5.3 of the report.

6. Risk Management Policy and Current Risk Update Fios às Ùr mu Phoileasaidh Rianachd Cunnairt agus Cunnairt Làithreach

There had been circulated Report No. PC/4/25 by the Chief Officer Corporate Finance.

It was highlighted that one of the main changes to the risk management policy was the introduction of a risk appetite statement, i.e. measuring our acceptance towards risk and what our risk tolerance was. It was proposed to schedule training for Members on risk management and on the Pension Regulator Code of Practice.

In terms of the risk register, it was noted that the Fund was cautious (low appetite) to any risks in the areas of technology information, security, cyber, data and also a cautious appetite to any risks that may have a negative effect on the health and safety, diversity and equality of its staff, elected members and members of the public. It was queried if any consideration had been given to being adverse to such risks rather than cautious. It was advised that this could be considered with Members during training on this matter to review the risk appetite for the Fund.

It was queried if there was any risk to the Fund arising from changes to government policy on pension funds, in light of the Mansion House reforms and changes to the Local Government Pension Scheme in England and Wales. It was advised that the risk register contained a risk on government policy. There were discussions happening nationally in relation to proposed changes to government policy on pension funds and Officers were alert to this and would continue to keep members updated on the progress of government reviews and ongoing developments. Currently the Scottish Government had not reached a position yet on proposed pension fund reforms in England and Wales. This could be reflected upon when reviewing the risk register.

It was noted that the Service Plan included costs for additional pensions administration staff on a fixed term basis. Historically there had been issues with recruiting staff to the pensions team and it was queried if consideration should be given to recruiting staff on a permanent basis and grow our own talent for the future, as this was a very specialised area of work. It was advised that some of the posts in the team had been advertised on a fixed term basis in view of the changes that were happening with technology in improving efficiency. This would be subject to continual review including the option of recruiting staff on a permanent basis.

The Committee:-

- i. **Approved** the Risk Management Policy (which includes the Risk Appetite Statement) (Appendix 2);
- ii. **Noted** the updated risk register extract (Appendix 3); and
- iii. **Noted** that training would be arranged for Members on risk management,

including a review of risk appetite for the Fund and on the Pension Regulator Code of Practice.

7. Pension Fund Administration
Rianachd Maoin Peinnsein

There had been circulated Report No. PC/5/25 by the Chief Officer Corporate Finance, which provided an update on matters relating to the administration of the Highland Council Pension Fund.

Following consideration, the Committee **Noted** the following:-

- i. update on the Member Self Service (Engage) and Altair Pensioner Payroll projects; (section 6);
- ii. action being taken by officers to review the Fund's compliance with the Pension Regular General Code of Practice (section 7); and
- iii. Mansion House reforms - consultation responses update (section 8).

8. Investment Sub Committee: Minutes of Meeting
Fo-chomataidh Tasgaidh: Geàrr-chunntas na Coinneimh

The minutes of the meeting of the Investment Sub-Committee held on 29 November 2024 were circulated and **Approved**.

The meeting ended at 10.00 a.m.