

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

Minutes of Meeting of the **Pensions Committee and Pension Board** held remotely on Friday 5 December 2025 at 2.00pm.

Present:

Pensions Committee

Mr S Coghill
Mr R Gale (substitute)
Mrs J Hendry
Mr P Logue
Mr R MacKintosh
Mr T MacLennan
Mr P Oldham
Mrs M Paterson
Mrs T Robertson

Pension Board

Dr C Birt, Highland Council
Mr S Kennedy, Highland Council
Mr R Fea, representative for the other Employers
Ms E Johnston, GMB
Mr W Munro, Unison

Non-Member in attendance:-

Mr L Fraser

Officers in attendance:

Mr B Porter, Chief Officer Corporate Finance, Corporate Service
Mr S Fraser, Chief Officer Legal and Governance (Scheme Manager's Joint Secretary)
Ms L Harrison, Pensions Accountant, Corporate Service
Mrs L Dunn, Joint Democratic Services Manager, Corporate Service
Mr A MacInnes, Senior Committee Officer, Corporate Service

Also in attendance:

Ms C Gardiner, Audit Director, Audit Scotland

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 P Oldham in the Chair

Business

**1. Apologies for Absence
Leisgeulan**

Apologies for absence were intimated on behalf of Mr A Christie and Mr A MacKintosh from the Pensions Committee and Mr D MacDonald from the Pension Board.

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

There were none.

3. Audited Accounts 2024/25 Cunntasan Sgrùdaichte 2024/25

There had been circulated Report No. PC/12/25 by the Chief Officer Corporate Finance which presented the audited accounts of The Highland Council Pension Fund for financial year 2024/25.

It was advised that there had been no significant change to the accounts arising from the audit. This had been the first year the Pension Fund accounts had been produced using the new Corporate financial system and other system changes such as the new Pensions payroll module. Given these significant changes it was good that the accounts had been completed with a positive audit. Thanks were extended to the Finance team for all their work in producing the Pension Fund accounts and also the work of the Audit Scotland team for their work on auditing the accounts.

The Auditor provided commentary on the documents circulated and summarised the conclusions of the audit. There had been an unqualified opinion on the accounts which confirmed that the financial statements were free from material misstatements. There were no issues and no adjustments required and this reflected well on the Council's Finance team on the preparation of the accounts.

In discussion, reference was made to the Scottish Local Government Pension Schemes performance against benchmark. It was advised that the benchmark was set in discussion with Fund Managers and individual Pension Funds, as individual Pension Funds would have different funding strategies. In terms of governance and best practice, Highland Council had a separate Pensions Committee and Investment Sub Committee, while other authorities combined these functions. An example of best practice was where a large Pension Fund had an Independent Member who was an expert in the field of pensions although it was acknowledged that this could be difficult to recruit. However, ensuring that committee members were trained was key as pensions was a complex area and required knowledge in order to assist members in their scrutiny, challenge and decision making.

A view was expressed that it was disappointing that the only action from the audit related to Board and Committee Members. There was a need to ensure that appropriate training was being undertaken. It was also suggested that there should be monitoring and recording of attendance at meetings of the Board/Committee and the need to be more proactive to ensure meetings were quorate.

It was noted that all Scottish Fire and Rescue Service Pension Funds had joined the Strathclyde Pension Fund. While the reason for this was unknown, it was assumed that this was done for administrative purposes in that it was easier as an Employer to deal with one fund rather than multiple ones.

The Pension Fund had been repositioning its investment strategy and it was in a period of transition and the Investment Sub Committee would be considering how it moved to its intended target asset allocation.

It was queried what three Pension Funds were performing better than the Highland Council Pension Fund and were there any lessons that could be learned from this. It was advised that individual Pension Funds might have different strategies as to what they wanted to achieve, such as focusing on investment income to support annual costs or Funds could have a growth strategy. It was reassuring that this Fund was performing well compared to other Funds.

In relation to management costs of the Highland Pension Fund, the main element of this was investment management expenses which were tied into the performance of the Fund. Other costs related to administrative and governance costs.

The number of employees who chose to opt out of the Pension Scheme was queried. Consideration should be given to how best to communicate the benefits of the Pension Scheme to employees. Information on this would be shared with the Committee/Board.

Overall, this had been a very positive audit report and was a credit to everyone involved. The Pension Fund was 130% funded which was a great success story.

Thereafter, the Committee:-

- i. **APPROVED** the audited accounts for signature (Item 3.a);
- ii. **AGREED** that the letter of representation be signed by the Chief officer Corporate Finance (Section 95 Officer) (Item 3.b);
- iii. **NOTED** the report to those charged with governance on the 2024/25 accounts (Item 3.c); and
- iv. **NOTED** the annual audit report (Item 3.d).

**a. Audited Accounts 2024/25
Cunntasan Sgrùdaichte 2024/25**

The Audited Statement of Accounts for the financial year 2024/25 were made available.

The Committee **APPROVED** the audited accounts for signature.

**b. Letter of Representation 2024/25
Litir Riochdachaidh 2024/25**

There had been circulated a copy of the annual audit letter of representation 2024/25.

The Committee **AGREED** that the letter of representation be signed on behalf of the Highland Council by the Chief officer Corporate Finance (Section 95 Officer).

**c. Report to those charged with Governance 2024/25
Aithisg dhaighsan a tha os cionn Raighlaidh 2024/25**

There had been circulated Report by Audit Scotland to those charged with Governance of the Highland Council Pension Fund.

The Committee **NOTED** the report to those charged with governance on the 2024/25 accounts.

d. **External Annual Audit Report to Members of the Pensions Committee and the Controller of Audit**
Aithisg In-sgrùdaidh Bhliadhnail on Taobh A-muigh do Bhuill de Chomataidh nam Peinnean agus Rianadair an Sgrùdaidh

There had been circulated Report by the External Auditor, Audit Scotland.

The Committee **NOTED** the annual audit report.

The meeting ended at 2.27p.m.