

DRAFT

**The Highland Council
Pension Board**

Minutes of Meeting of the Pension Board held in Council Headquarters, Glenurquhart Road, Inverness on Thursday 24 September 2015 at 1.00 pm.

Present:

Mrs C Caddick, Highland Council
Mr T MacLennan, Highland Council
Ms L MacKay, Unison

Mr D Macdonald, Unison
Mr E Macniven, GMB
Mr A Wemyss, Unite

Also present:

Mr D Fallows, Highland Council (non Member in attendance as an observer)
Mr S Fraser, Joint Secretary (Employers Side)
Mr J Gibson, Joint Secretary (Trade Unions Side)

Officials in attendance:

Mrs M Grigor, Finance Manager (Corporate Budgeting, Treasury and Taxation)
Mr A MacInnes, Administrative Assistant, Corporate Development Service

Mrs C Caddick in the Chair

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mr A Campbell, Comhairle nan Eilean Siar and Ms L Leonard, representative for the other Employers.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of Last Meeting

The minutes of the last meeting of the Board held on 4 September, 2015 had been circulated and were **APPROVED**.

4. Constitution of Pension Board

There had been circulated Report No. PB/2/15 by the Joint Secretary (Employers) inviting Members to consider and adopt a revised draft constitution for the Highland Council Pension Board.

The Joint Secretary (Employers) advised that arising from discussion at the last Board meeting, the only substantive change to the constitution had been revised wording at para 3.5 which now read “ *Meetings of the Pension Board may (as well as being conducted by all Members being present together in a pre-determined place) be conducted in any other*

way in which each member is enabled to participate although not present with others in such a place.”

In discussion of various elements of the Constitution, the following points were made:-

Para 1.3 where “Members shall have a collective duty to act independently in the interests of the members and employer bodies in the Funds and also the taxpayers”, it had been felt that this would be challenging and it was queried if the inclusion of acting in the interests of taxpayers was a statutory requirement or whether this was only the view of the Lothian and Borders model constitution. It would also be helpful to know if acting in the interests of taxpayers was included in other Scottish Local Authorities Pension Boards’ constitutions. The Board could then decide whether to retain reference to ‘taxpayers’ or not in it’s constitution.

Para 11 – ‘Costs and Members’ expenses’, clarification was sought as to where expenses of Pension Board Members, who were also Elected Members, would be recorded. It was advised that expenses that were incurred by Elected Members for Pension Board duties would not be recorded as Elected Member expenses, but would be expenses charged to the Pension Fund. In terms of other representatives on the Board, their expenses would also be charged to the Pension Fund.

Para 6.3 – Review of Pensions Committee decision – in terms of whether or not 10 days was sufficient time in which to request a review of a Pensions Committee decision, it was advised that 7 days notice was required to convene a meeting of the Pension Board, so in effect, the Pension Board only had 3 days to reach a decision on requesting a review. However, the view was that the Board would be able to decide very quickly after a meeting of the Pensions Committee if they were unhappy with any decision and therefore the 10 days time limit was felt sufficient.

Members noted that the constitution was to be reviewed after a period of one year had elapsed.

In terms of future meetings, these would be held at the same time as Pensions Committee meetings (twice a year). In addition, Members felt that it would be useful to have informal meetings of the Board immediately prior to the joint meeting with the Pensions Committee, to review the agenda items and any other business as necessary. Given that there may be times when Board Members disagreed on matters, the informal meeting arrangement would be reviewed after a period of one year had elapsed.

Thereafter, the Board **AGREED**:-

- i. to adopt the terms of the revised constitution, subject to clarification on whether the inclusion of acting in the interests of taxpayers as set out in para 1.3 was a statutory requirement or not and what the position was of other Scottish Local Authorities Pension Boards’ constitutions on this matter;

- ii. that informal meetings of the Board would be held immediately prior to joint meetings of the Pensions Committee and Pension Board, and that this informal meeting arrangement would be reviewed after a period of one year had elapsed.

5. AOCB

A comment was made that it would be helpful to Board Members if they could receive a breakdown of the management costs of the Pension Fund's Investment Portfolio to ensure that the Fund was getting value for money. It was advised that this request would be made at the joint meeting of the Pensions Committee and Pensions Board to be held later that day.

The meeting closed at 1.25 pm.