



Fife Pension Board Annual Report 2023-24

FIFE PENSION BOARD ANNUAL REPORT 2023-24

Introduction

This report provides an annual review of the membership and activity of the Fife Pension Board for the period 1 April 2023 to 31 March 2024. This is the first report produced by the Fife Pension Board and further reports will be produced on an annual basis.

The Role of the Fife Pension Board

The Fife Pension Board is required by The Public Service Pensions Act 2013. The role of the Board is to assist the 'Scheme Manager' (i.e. Fife Council as the administering authority) in:-

- securing compliance with the Local Government Pension Scheme (Scotland) 2018 regulations, other regulations and codes of practice relating to the governance and administration of the Scheme and any statutory pension scheme that is connected with it; and
- securing compliance with requirements imposed in relation to the Scheme and any connected scheme by the Pensions Regulator (tPR).

The Pension Board has a monitoring, assisting and reviewing purpose rather than being a decision-making body. Where the Board and Pensions Committee cannot reach a joint agreement on any decision made by the Committee, the Pension Board can refer a decision back to the Committee for further consideration, as set out in the [Fife Pension Board Constitution](#). The Scottish Local Government Pension Scheme (LGPS) Advisory Board may also consider and take a view on the matter and if appropriate provide advice to the Scheme Manager or the Pension Board in relation to the matter, which shall be shared with the Committee.

The Fife Pension Fund Pension Board

The Terms of Reference for the Fife Pension Board can be found at **Appendix 1**.

Membership

The Fife Pension Board is made up of eight members, with an equal number of member (trade union) and employer representatives:-

Employer (4)

Fife Council (2)
Scheduled bodies (1)
Admitted bodies (1)

Member (Trade Unions) (4)

GMB (1)
Unison (2)
Unite (1)

In line with the Terms of Reference and Constitution for the Pension Board, representatives are appointed for a four year term, with the option of re-appointment for further terms.

Appointing bodies can appoint a named substitute for their representative. Such substitutes must undertake the same training as Pensions Committee and Pension Board members and will be invited to attend all training events.

Details of the membership as at 31 March 2024 is listed in the table below:

NAME	MEMBERSHIP	ORGANISATION	DATE APPOINTED / RE-APPOINTED
Councillor Tom Adams	Employer representative	Fife Council	20 June 2022
Councillor Lynn Ballantyne-Wardlaw	Employer representative	Fife Council	20 June 2022
Gail Dunn	Employer representative – Scheduled Body	Fife College	24 October 2022
Vicki Wyse	Employer representative- Admitted Body	Fife Sports and Leisure Trust	9 June 2023
Robert Graham	Member representative – Trade Union	GMB	12 December 2021
Ross Hugh	Member representative – Trade Union	Unite	26 April 2021
Colin Paterson	Member representative – Trade Union	Unison	16 December 2021
Thomas Templeman	Member representative – Trade Union	Unison	6 October 2023
Debbie Fyfe	Substitute member representative – Trade Union	Unison (substitute for both Unison members)	24 January 2024

In compliance with the Local Government Pension Scheme (Governance)(Scotland) Regulations 2015, the Chair of the Pension Board is rotated on an annual basis between the trade union and employer sides of the Pension Board. Robert Graham (Member representative, Trade Union) held the position of Chair from December 2022 to December 2023 and was replaced by Councillor Lynn Ballantyne-Wardlaw (Employer representative – Fife Council) who will serve until December 2024.

Member Representative Unison appointed one substitute member in January 2024 to substitute for both Unison members. The substitute, Debbie Fyfe, must complete all mandatory introductory training before being able to attend Board or Committee meetings on behalf of either Unison member. This training is still to be undertaken.

Meeting Attendance

In compliance with the LGPS Governance Scotland Regulations 2015, the Pension Board;

- is required to meet with the Pensions Committee of the Scheme Manager to consider the Committee agenda; and
- may meet separately from the Pensions Committee.

During the period 2023/24, the Board was represented at Pensions Committee meetings. The Board also met separately both before and after each committee meeting.

Participation during meetings and the requirement to undertake training, clearly demonstrate the commitment of the Board members to the continued effectiveness of the Fife Pension Board. Attendance of Board members at training events is reported regularly to the Pensions Committee.

A table showing Pension Board members attendance at Pension Committee and Pension Board Pre and Post meetings can be found at **Appendix 2 (a) and 2 (b)**.

Meeting Content

The Pension Board receive the Pensions Committee agenda for each meeting, which includes reports covering the main areas of work for the Pensions Fund, including investment, accounting, governance and administration.

A separate agenda is prepared for meetings of the Pension Board which can include items such as, the process for nominations and appointments to the Board, conflicts of interest guidance and any requests for a review of decisions of the Pensions Committee.

During the reporting period of 1 April 2023 to 31 March 2024 and at the Pensions Committee meeting in December 2023, the Pension Board noted concerns about transparency of the information provided to the Committee regarding the timing of the reduction of contribution rates. The concerns centred around the full reduction of 3% applied in year one instead of the reduction being implemented over 3 years at 1% per annum. This was not documented in the Funding Strategy Statement but introduced at the committee meeting. The Head of Finance took action and wrote to the members of the Pensions Committee and Pension Board to ensure full transparency and to provide additional assurance of the due diligence and extensive modelling carried out. Assurance was also provided that the change would be reflected in the final version of the Funding Strategy Statement considered at the meeting of the Pensions Committee on 28 March 2024. This action alleviated the concerns raised by the Board members.

The following reports were included as standard in the Pensions Committee agendas during 2023/24 and therefore also considered by the Pension Board:-

- Risk Management Quarterly Review
- Fife Pension Fund Investment Update
- Fife Pension Fund – Business Plan Update
- Pensions Committee Workplan

In addition, the committee also received reports and updates on:-

- Cost Transparency and CEM Benchmarking
- Pension Fund Training and Development
- Internal Audit Plans and Audit Reports
- External Quality Assessment (EQA) of Fife Council's Audit Services
- Actuarial Valuation
- Annual Report and Accounts
- Fife Pension Fund Annual Audit Report 2022-23
- Fraud and Irregularity – Audit Scotland's Annual Report
- Contribution Stability Mechanism
- Pension Fund Budgetary Control and Final Outturn
- Fife Pension Board Nominations and Appointments process and conflict of interest guidance
- Funding Strategy Statement

- Investment Strategy
- External Audit plan
- Post Audit Review
- Annual Review of Shared Services Agreement

Training Requirements

The Public Service Pensions Act 2013 requires that members of local pension boards have an appropriate level of knowledge and understanding to carry out their role. These responsibilities begin from the date the member takes up their role on the pension board. A member of the pension board of a public service pension scheme must be conversant with the rules of the scheme and any document recording policy about its administration which is, for the time being, adopted in relation to the scheme.

The Pensions Regulator Code of Practice no.14 sets out the legal requirements for the knowledge and understanding requirements of pension board members. The Pension Fund must be able to demonstrate compliance with the code.

Fife Pension Board's training plan is subject to regular review and an annual training report is presented to the Pensions Committee. A minimum training requirement for members of the Pensions Committee and Fife Pension Board, of 14 hours per annum was approved by the then Superannuation Fund and Pensions committee on 22 May 2019. The policy has subsequently been updated and was approved by the Pensions Committee on 30 June 2022. The training policy is available here [Training Policy | Fife Pension Fund](#).

Fife Pension Fund is committed to supporting Board members to achieve the level of knowledge and understanding they require by providing the appropriate level of training and assistance. Training is provided in line with the approved Training Policy and covers a number of areas including Investment, Administration and Governance.

As detailed above, Board members are expected to attend meetings and undertake a minimum of 14 hours training per year. This is to ensure they maintain the prescribed knowledge and understanding levels required to be able to fulfil the responsibilities of the role. Where a member fails to meet the minimum requirements set out in the Training Policy, and in the absence of mitigating factors, the member will be given a reasonable period to improve their attendance level. Non-compliance of training will be reported to the body who nominated the representative and may be highlighted in a report and considered by the Pensions Committee.

Tables summarising Board members mandatory training records and attendance at training events for the period 1 April 2023 – 31 March 2024 can be found at **Appendix 3 (a) and 3 (b)**

TPR Toolkit

The approved Training Policy for Pensions Committee and Pension Board members states:

'To undertake the online E-Learning Public Service Toolkit produced by the Pensions Regulator within six months of appointment and provide evidence of completion to the Pension Fund's governance manager' (available at <http://www.thepensionsregulator.gov.uk/publicservice-schemes.aspx>)

As at 31 March 2024, seven members of the Pensions Board had completed the mandatory E-Learning modules and one member had one module outstanding to complete.

Conflicts of Interest

The Pensions Committee agreed a Conflicts of Interest Guidance document for Board members on 14 December 2023.

As a standing item at each Pension Board meeting, members are given the opportunity to declare their interest in any of the agenda items and any declared interests will be recorded in the formal minutes of the meeting. In addition, conflict of interest declaration forms will be issued by Fife Pension Fund on appointment to the Board and are subject to regular monitoring during the term of appointment. Responses from the conflicts of interest forms are recorded on the 'Conflicts Register' to facilitate ongoing monitoring and review by the Governance Team.

Compliance with tPR

The Pension Fund considers compliance from members of the Pensions Committee and Pension Board on a regular basis at its Pension Governance Group meeting, with reporting to the Pensions Committee. An assessment is made in terms of compliance with tPR Code of Practice no. 14.

The most recent review was carried out early in 2023 and reported to the Pensions Committee on 28 September 2023. The report identified that there were areas of partial compliance and that an action plan be put in place to move to full compliance, where appropriate.

The Pension Governance Group is chaired by the Head of Finance, Fife Council. Group membership consists of officers from across the organisation who work on and have responsibility for pension related matters, in particular governance. The group meets quarterly in advance of the Pensions Committee to consider, amongst other things, compliance with the regulators code of practice, risk management arrangements, progress on business plan activities, progress on audit points, updates to regulations/guidance and a review of the risk register to ensure it reflects the discussions and any other relevant business.

The next area of work for the Group will be to carry out the assessment of compliance with the regulators new code of practice, prepare a gap analysis and action plan, then monitor progress against that action plan and agree the committee reporting.

Risk Management

The fund has its own detailed and specific risk register in accordance with the Pensions Regulator code of practice. A Risk Management Manual was approved by the Pensions Committee in May 2019. The risk register for the Pension Fund identifies the significant risks that could have a material impact in terms of value, reputation, compliance or provision of service and sets out the action taken to mitigate these risks.

The register is reviewed regularly by the pensions governance group and reported quarterly to the Pensions Committee and Pension Board.

Programme of Work for 2024/25

The following areas will be considered by both the Committee and Board in the next 12 months (subject to review):-

Pensions Committee

- Actuarial Valuation
- Annual Report and Accounts
- Fife Pension Fund Annual Audit Report
- Training Plan
- Risk Management and Risk Register
- Pension Fund Annual Report
- The Pensions Regulator - General Code of Practice review
- Internal/External Audit Plan and updates
- Conflicts of Interest Declarations
- Breaches of Law
- Statement of Investment Principles
- Statement of Responsible Investment Principles
- Business Plan and updates
- Review of Administration Strategy
- Annual Governance Statement
- Annual Review of Shared Services Agreement
- CEM Benchmarking and Cost Transparency

In addition, the Pension Board will also consider the following items of business (subject to review):-

Pension Board

- Review of Decisions made by the Pensions Committee
- Conflicts of Interest Declarations
- Appointment of Chair
- Appointment of Joint Secretaries
- Re-appointment of members
- Recruitment/advertising vacancies
- Annual Report 2024/25
- Scheme Advisory Bulletin
- The Pensions Regulator Toolkit
- Training Plan

Further Information

If you have any further queries or questions regarding this report, please contact the Chair of Fife Pension Board, Councillor Lynn Ballantyne-Wardlaw – cllr.lynn.ballantyne-wardlaw@fife.gov.uk

4 June 2024

FIFE PENSIONS BOARD TERMS OF REFERENCE

(Extract from Fife Council Committee Powers)

The Council has appointed a Pensions Board under the Pensions Act 2013. Its membership consists of four trade union representatives, and four employer representatives, the latter comprising two elected members (one each from the Administration and Opposition) and one each from the scheduled and admitted bodies.

The Pension Board is the body responsible for assisting the Scheme Manager in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

The Pension Board will determine the areas they wish to consider including, amongst others:-

- reports produced for the Pensions Committee;
- seek reports from the scheme managers on any aspect of the fund;
- monitor investments and the investment principles/strategy/guidance;
- the fund annual report;
- external voting and engagement provisions;
- fund performance and administration;
- actuarial reports and valuations;
- funding strategy; and
- any other matter that the Pensions Board deem appropriate.

**Fife Pension Board Members -
Pensions Committee Meeting Attendance Record
1 April 2023 to 31 March 2024**

Members (8)	DATES OF PENSIONS COMMITTEE MEETINGS				
	2023				2024
NAME	23.06.23	30.06.23	28.09.23	14.12.23	28.03.24
Cllr Tom Adams	✓	Apol	Apol	✓	✓
Cllr Lynn Ballantyne-Wardlaw	✓	Apol	✓	✓	Apol
*Ian Dawson (Employee rep - Unison) (10.06.22 – 05.10.23)	✓	Apol	Apol	N/A	N/A
Gail Dunn	✓	✓	✓	✓	✓
Robert Graham	✓	✓	✓	✓	✓
Ross Hugh	Apol	✓	✓	✓	✓
Colin Paterson	Apol	Apol	✓	✓	✓
*Thomas Templeman (06.10.23 - present)	N/A	N/A	N/A	✓	✓
Vicki Wyse	✓	✓	Apol	✓	✓

*Ian Dawson resigned from post in October 2023 and was replaced by Thomas Templeman.

**Fife Pension Board Members -
Pension Board Meeting Attendance Record
1 April 2023 to 31 March 2024**

Members (8)	DATES OF PENSION BOARD PRE AND POST MEETINGS							
	2023						2024	
NAME	23/06 Post	30/06 Pre	30/06 Post <i>No Meeting Held</i>	28/09 Post	14/12 Pre	14/12 Post	27/03 Pre	28/03 Post
Cllr Tom Adams	✓	Apol		Apol	✓	✓		Apol
Cllr Lynn Ballantyne-Wardlaw	✓	Apol			✓	✓	Apol	Apol
*Ian Dawson (Employee rep - Unison) (10.06.22 – 05.10.23)	✓	Apol		Apol	N/A	N/A	N/A	N/A
Gail Dunn	Apol	✓		✓	✓	✓	✓	✓
Robert Graham	✓	✓		✓	✓	✓		✓
Ross Hugh	Apol	Apol			✓	✓	✓	✓
Colin Paterson	Apol	Apol		✓	✓	✓	✓	✓
*Thomas Templeman (06.10.23 - present)	N/A	N/A		N/A	✓	✓		✓
Vicki Wyse	✓	✓		Apol	✓	Apol	✓	✓

*Prior to December 2023, the Pre-meetings of the Pension Board were informal and attendance was not formally recorded, although Pre-meetings did take place on 23 June and 28 September 2024. Going forward, member attendance will be fully recorded for all Pension Board Pre and Post meetings.

Fife Pension Board Members –

Training Record

NAME	Completed 01.04.23 – 31.03.24		Completed since joining Fife Pension Board		
	All Mandatory training Complete (Introductory Training/ tPR Toolkit /14 Training hours) Y/N	Number of Mandatory Training Hours Complete (14 Hours required)	Mandatory Introductory Training Complete Y/N	Mandatory Training Complete (tPR Toolkit – 7 Modules) Y/N	Additional tPR Module required (Pension Scams) Y/N
Cllr Tom Adams	Y	46.25	Y	Y	Y
Cllr Lynn Ballantyne-Wardlaw	Y	22.25	Y	Y	Y
Gail Dunn	Y	21.25	Y	Y	Y
Robert Graham	N	8.25	Y	Y	Y
Ross Hugh	N	13.00	Y	N (6 Modules complete 28/03/24, 1 module outstanding)	N
Colin Paterson	Y	19.75	Y	Y	Y
Thomas Templeman (joined Oct 2023)	Y	16.25	Y	Y	Y
Vicki Wyse	Y	16.25	Y	Y	Y
Substitute – TU – Debbie Fyfe (joined January 2024 – induction training and mandatory modules not yet complete)	N	N/A	N	N	N
Ian Dawson (resigned Oct 2023)	N/A	3.00	Y	N	N

Please note on the table above, Robert Graham and Ross Hugh did not complete the mandatory 14 hours training requirement as at 31 March 2024. Since then, Robert Graham has completed an additional 6 hours, allowing full completion of the requirement of 14 hours training for the 2023/24 period.

Fife Pension Board

Record of Members Attendance at Training Events

1 April 2023 to 31 March 2024

NAME	No of training sessions completed	Training sessions (see below for details)											
		A	B	C	D	E	F	G	H	I	J	K	L
Cllr Tom Adams	8	✓	✓ (2 days)	✓	✓		✓		✓	✓	✓		
Cllr Lynn Ballantyne-Wardlaw	7	✓	✓ (1 day)	✓		✓	✓		✓	✓			
Gail Dunn	6	✓		✓	✓		✓		✓	✓			
Robert Graham	6	✓				✓			•	✓	✓	•	✓***✓
Ross Hugh	3	✓					✓		✓				
Colin Paterson	8					✓	✓	✓	✓	✓		•	✓*✓**✓
Thomas Templeman (joined Oct 2023)	4						✓	✓	✓	✓			
Vicki Wyse	4				✓		✓		✓	✓			
Substitute – TU – Debbie Fyfe (joined January 2024 –induction training and mandatory modules not yet complete)	0												
Ian Dawson (resigned Oct 2023)	1	✓											

A – Pensions Committee and Board Training (in-house), 29 May 2023

B – PSLA Conference Edinburgh, 8-9 June 2023

C – Pensions Committee and Board Training (in-house), 28 August 2023

D – Pensions Investment Strategy Review – COSLA Edinburgh, 15 September 2023

E – Local Government Pension Scheme (LGPS) Investment Cost Transparency, 28 September 2023

F – Pensions Committee and Board Training (in-house), 23 November 2023

G – Webinar – The General Code of Practice next steps for LGPS, 23 January 2024

H – Joint Investment Strategy – Fife, Falkirk and Lothian (SAA), 6 February 2024

I – The Role of the Pension Board, Governance Training with Independent Professional Observer, 26 February 2024

J – PLSA Investment Conference, EICC Edinburgh, 27-29 February 2024

K – Pensions Committee and Board Training (in-house), 4 March 2024

L – Other training - Unison Pension Board Representatives meetings - (*25.05.23 & **07.03.24) E-Learning modules – ***Corporate Fraud and Cyber Security

- The presentation from the training event was viewed after the event and attendance was not in person.