

City Chambers  
DUNDEE  
DD1 3BY

28th November 2025

**TO: ALL MEMBERS OF THE PENSION SUB-COMMITTEE  
OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD**

Dear Sir or Madam

You are requested to attend a JOINT MEETING of the **PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD** to be held remotely on Monday, 8th December, 2025 at 12 noon.

Members of the Press or Public wishing to join the meeting should contact Committee Services by telephone (01382) 434211 or by email at [committee.services@dundeecity.gov.uk](mailto:committee.services@dundeecity.gov.uk) by no later than 12 noon on Friday, 5th December, 2025.

Yours faithfully

GREGORY COLGAN

Chief Executive

## **AGENDA OF BUSINESS**

### **1. DECLARATION OF INTEREST**

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

### **2. APOLOGIES**

### **3. MINUTE OF PREVIOUS MEETING - Page 1**

(Minute of the meeting of the Pension Sub-Committee of 22nd September 2025 copy attached).

### **4. TAYSIDE PENSION FUNDS RISK REGISTER - Page 5**

(Report No 362-2025 by the Executive Director of Corporate Services copy attached).

**5. PENSION ADMINISTRATION PERFORMANCE - Page 21**

(Report No 363-2025 by the Executive Director of Corporate Services copy attached).

**6. TREASURY MANAGEMENT ACTIVITY 2025/2026 MID-YEAR REVIEW - Page 31**

(Report No 364-2025 by the Executive Director of Corporate Services copy attached).

**7. PROPOSED TIMETABLE OF MEETINGS FOR 2026 - Page 35**

(Report No 365-2025 by the Executive Director of Corporate Services copy attached).

**The Sub-Committee may resolve under Section 50A(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting in order that the undernoted items of business may be considered in private on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 4, 6 and 11 of Part 1 of Schedule 7A) of the Act.**

**8. TAYSIDE PENSION FUNDS**

**9. PROPERTY MANDATE**

**10. ANNUAL ASSESSMENT OF INVESTMENT ADVISORY SERVICE**

**11. PRESENTATION**



**VI TAYSIDE PENSION FUND 2024/2025****(a) TAYSIDE PENSION FUND 2024/2025 – ACCOUNTS AND AUDIT**

There was submitted Report No 255-2025 by the Executive Director of Corporate Services reporting on the outcome of the external audit of Tayside Pension Fund for the year to 31st March 2025.

The Sub-Committee and Board:-

(i) noted the content of External Auditor's Annual Audit Report, in particular that Audit Scotland anticipated issuing an unqualified audit opinion.

**(b) DRAFT AUDITED STATEMENT OF ACCOUNTS 2024/2025**

There was submitted Report No 256-2025 by the Executive Director of Corporate Services reporting on the Draft Audited Statement of Accounts for 2024/2025.

The Sub-Committee and Board:-

(i) noted the content of the report.

**(c) EXTERNAL AUDITORS ANNUAL REPORT**

There was submitted Report No 257-2025 by the Audit Scotland reporting on the Audit of Tayside Pension Fund 2024/2025 annual report and accounts.

The Sub-Committee and Board:-

(i) noted the content of the report.

**VII THE PENSIONS REGULATOR - GENERAL CODE REVIEW**

There was submitted Report No 258-2025 by the Executive Director of Corporate Services informing members of the outcome of the review undertaken by Isio of the code requirements, following recommendation by Audit Scotland.

The Sub-Committee and Board:-

(i) noted the content of the report.

**VIII REVISED PENSION ADMINISTRATION STRATEGY**

There was submitted Report No 259-2025 by the Executive Director of Corporate Services setting out the Fund's policy in respect of the standards required of both the Fund and the participating employers to ensure that statutory obligations were met and to demonstrate effective and efficient service delivery. The strategy contained a variety of performance measures against which the Fund and participating employers were assessed, with performance reported to the Committee.

The Sub-Committee and Board:-

(i) approved the revised strategy contained within, noting the inclusion of record keeping and data improvement in sections 5 and 6 of the Pension Administration Strategy.

**IX AMENDED TREASURY POLICY STATEMENT 2025/26**

There was submitted Report No 260-2025 by the Executive Director of Corporate Services revising the Fund's Treasury Policy Statement following Isio's review of compliance with the Pension Regulators Revised Code.

The Sub-Committee and Board:-

- (i) approved the policies and procedures laid out in the amended Treasury Policy Statement 2025/26, noting the inclusion of Fund rebalancing to the policy in section 6 of the policy.

#### **X BREACHES OF LAW POLICY**

There was submitted Report No 261-2025 by the Executive Director of Corporate Services setting out the Fund's policy in respect of reporting breaches of the law to The Pensions Regulator.

The Sub-Committee and Board:-

- (i) approved the policy contained within the report:

#### **XI ANNUAL TREASURY MANAGEMENT ACTIVITY 2024/2025**

There was submitted Report No 262-2025 by the Executive Director of Corporate Services reviewing the Treasury Management activities for the period 1st April 2024 to 31st March 2025.

The Sub-Committee and Board:-

- (i) noted the information contained within the report:

#### **XII VALEDICTORY TRACEY RUSSELL**

The Convener, on behalf of the Sub-Committee and Board, paid tribute to Tracey Russell, Senior Manager, Corporate Services, upon her retiral later in the year and wished her well for the future.

The Sub-Committee and Board associated themselves with the Convener's remarks.

**The Sub-Committee and Board resolved under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 4, 6 and 11 of Part I of Schedule 7A of the Act.**

#### **XIII TAYSIDE PENSION FUND**

##### **(a) TAYSIDE PENSION FUND PERFORMANCE SUMMARY**

There was submitted Report No 263-2025 by the Executive Director of Corporate Services reviewing investment performance of the Fund's investment managers for the quarter to 30th June 2025. The report compared investment performance of the Fund with the Fund's specific benchmarks which consist of various stock and security market indices.

The Sub-Committee and Board:-

- (i) noted the information contained therein with regard to the performance of the Tayside Main Fund and their Fund Managers.
- (b) **SUMMARIES OF INVESTMENTS AND TRANSACTIONS SUMMARIES OF INVESTMENTS AND TRANSACTIONS – 1ST APRIL 2025 – 30TH JUNE 2025**

There was submitted Report No 175-2025 by the Executive Director of Corporate Services reviewing the investment activities of Tayside Pension Fund's five Fund Managers for the quarter to 30th June 2025 and summarising the transactions of each Fund Manager and showing the market values of the Pension Fund.

The Sub-Committee and Board:-

(i) noted the information contained therein with regard to the performance of the Tayside Main Fund and their Fund Managers.

(c) SECURITIES LENDING 6 MONTH ACTIVITY TO 30TH JUNE 2025

There was submitted Report No 265-2025 by the Executive Director of Corporate Services presenting an update on Securities Lending activity for the period ended 30th June 2025.

The Sub-Committee and Board:-

(i) noted the content of the report.

(d) QUARTERLY FUNDING UPDATE AS AT 30TH JUNE 2025

There was submitted Report No 266-2025 by the Executive Director of Corporate Services reviewing the current funding level of the Fund as assessed by the Fund Actuary.

The Sub-Committee and Board:-

(i) noted the report by the Fund Actuary.

#### **XIV TAYSIDE PENSION FUND PROCUREMENT ACTIVITY UPDATE**

There was submitted Report No 298-2025 by the Executive Director of Corporate Services providing an update of general procurement activities currently being undertaken by Fund Officers.

The Sub-Committee and Board:-

(i) noted the content of the report

#### **XV OPPORTUNISTIC MANDATE TIMELINE**

There was submitted Report No 299-2025 by the Executive Director of Corporate Services, providing members with a timeline of the procurement exercise to appoint an investment manager to manage the opportunistic asset allocation (5% value of the fund).

The Sub-Committee and Board:-

(i) noted the content of the report

#### **XVI PRESENTATION**

Lucinda Liss, Kieran Farrelly and Olivia Docker gave a short presentation to the Sub-Committee and Board.

After Ms Liss, Mr Farrelly and Ms Docker had given their presentation and answered questions from members, the Chair thanked the presenters on behalf of members of the Sub-Committee and Board.

Willie SAWERS, Chair.

**ITEM No ...4.....**

**REPORT TO: PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD – 8 DECEMBER 2025**

**REPORT ON: TAYSIDE PENSION FUND RISK REGISTER**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 362-2025**

**1 PURPOSE OF REPORT**

The Sub-Committee is asked to approve the Quarterly Risk Register for Tayside Pension Fund.

**2 RECOMMENDATIONS**

The Sub-Committee is asked to approve the Quarterly Risk Register for Tayside Pension Fund, noting no change from previous quarterly report.

**3 FINANCIAL IMPLICATIONS**

There are no financial implications other than those highlighted in the risk register.

**4 INTRODUCTION**

The Local Government Pension Scheme Management and Investment of Funds (Scotland) Regulations 2010 requires funds to state the extent to which they comply with guidance given by the Scottish Ministers.

The Scottish Ministers guidance refers to the six revised principles on investment decision making contained within CIPFA publication "Investment Decision Making and Disclosure in the Local Government Pension Scheme: A Guide to the Application of the Myners Principles" (December 2009).

Principle 3: Risk and Liabilities (paragraph 98) states that "The annual report of a pension fund should include an overall risk assessment in relation to each of the fund's activities and factors expected to have an impact on the financial and reputational health of each fund. This could be done by summarising the contents of a regularly updated risk register. An analysis of the risks should be reported periodically to the committee, together with necessary actions to mitigate risk and assessment of residual risk".

The initial Tayside Superannuation Funds Risk Register (Article III of the Minute of Meeting of the Superannuation Sub-Committee of the Policy and Resources Committee of 21 February 2011, Report No 114-2011 refers) requires conformity with the Statements of Investment Principles for the Tayside Pension Fund.

In 2021, an internal audit review of Risk Management and Regulatory Compliance was completed, and the findings were reported to the Pension Sub-Committee & Board (Article IX of the Minute of Meeting of the Pension Sub-Committee of the Policy and Resources Committee & Pension Board of 21 March 2022, Report No 87-2022 refers). The review suggested the following changes be made to the risk register:

- Update of current risk descriptions to use cause, event and consequence format
- Addition of risks not specified within current risk register
- Implementation of a revised risk scoring matrix specific to Tayside Pension Fund

All risks and controls have been reviewed and rescored accordingly.

**5 POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has

not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

**6 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

**7 BACKGROUND PAPERS**

None.

**PAUL THOMSON**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**28 NOVEMBER 2025**





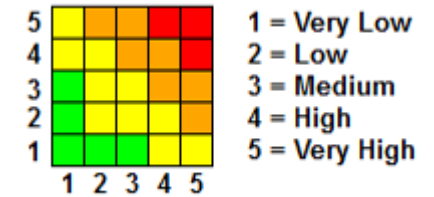
**Quarterly Risk Report**

**Report Type:** Tayside Pensions Fund Risks Report

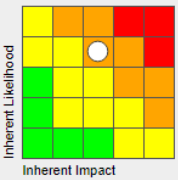
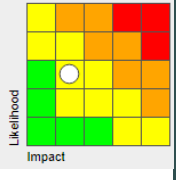
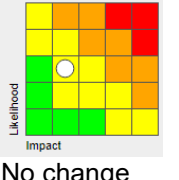
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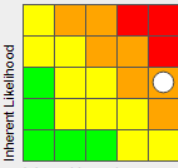
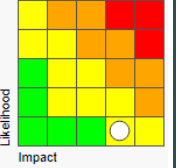
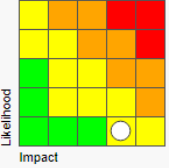
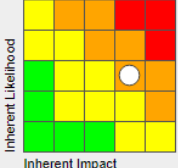
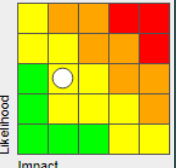
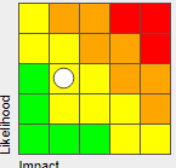
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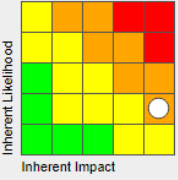
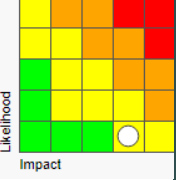
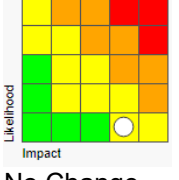
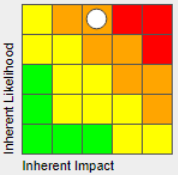
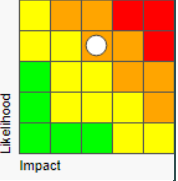
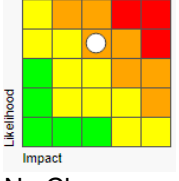
**Pentana Risk Matrix**

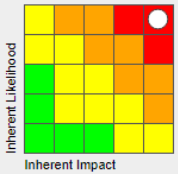
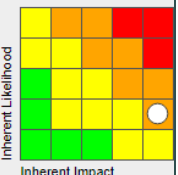


Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
<p><b>Pension Administration</b> (Risk appetite - minimalist)</p> <p>1.Failure to process pension payments and lump sums on time</p>	<ul style="list-style-type: none"> <li>Non-availability of pension / payroll systems</li> <li>Resource unavailable</li> <li>New staff undertaking duties</li> <li>Increased workload</li> <li>Failure to gain relevant information from employers to enable processing</li> </ul>	<ul style="list-style-type: none"> <li>Processing delays</li> <li>Processing errors</li> <li>Retiring members will be paid late</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications for members.</li> <li>Loss of stakeholder confidence.</li> <li>Financial cost to the fund if interest has to be paid to members.</li> <li>Regulatory action</li> </ul>	<p>Inherent Likelihood Inherent Impact</p>	<ul style="list-style-type: none"> <li>Regular update &amp; maintenance of Altair &amp; Resourcelink</li> <li>Standardised processes &amp; independent review of calculations</li> <li>Sufficient staff cover arrangements</li> <li>Task prioritisation</li> <li>Contingent measures to prevent financial detriment</li> </ul>	<p>Likelihood Impact</p>	<p>Likelihood Impact</p> <p>No change</p>

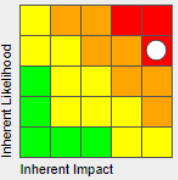
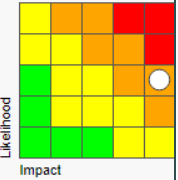
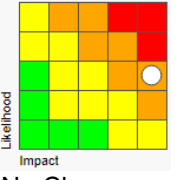
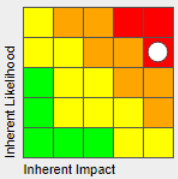
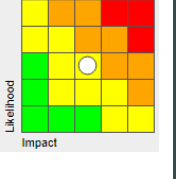
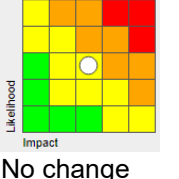
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
<p><b>Funding - Employer related</b> (Risk appetite - cautious)</p> <p>2.Failure to collect and account for contributions from employers and employees on time</p>	<ul style="list-style-type: none"> <li>• Non-availability of financial system (Fund and employer)</li> <li>• Resource unavailable</li> <li>• New staff undertaking duties</li> <li>• Failure to communicate with employers effectively</li> <li>• Failure of employer to provide required information</li> <li>• Failure of employer to make financial settlement</li> </ul>	<ul style="list-style-type: none"> <li>• Adverse audit opinion</li> <li>• Breach of statutory requirements</li> <li>• Knock on effect on reporting requirements</li> <li>• Financial impact as insufficient cashflow to meet monthly pension payments without unplanned sale of assets</li> </ul>	<ul style="list-style-type: none"> <li>• Requirement for report of regulatory breach &amp; subsequent action if required</li> <li>• Potential delays to employers' FRS17 year-end accounting reports</li> <li>• Loss of stakeholder confidence</li> <li>• Recovery / legal action required</li> <li>• Opportunity cost of lost investment income</li> </ul>	 <p>Inherent Likelihood</p> <p>Inherent Impact</p>	<ul style="list-style-type: none"> <li>• Robust maintenance and update of Resourcelink and Authority Financials systems</li> <li>• Sufficient staff cover arrangements</li> <li>• Staff training and checking of work.</li> <li>• Ongoing employer communication to ensure they understand responsibilities to pay by the 19th of the month.</li> <li>• Contribution tracker system</li> <li>• Introduction of employer contribution payment flexibility within financial year (subject to agreement)</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p> <p>No change</p>

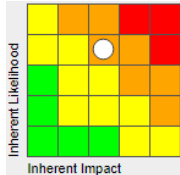
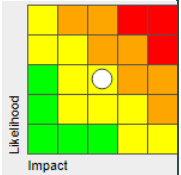
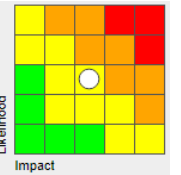
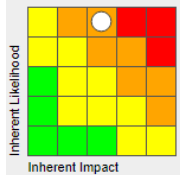
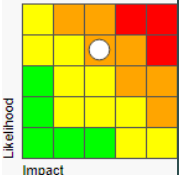
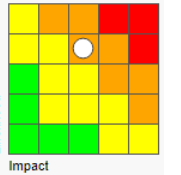
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
<p><b>Funding - Liquidity</b> (Risk appetite - averse)</p> <p>3. Insufficient funds to meet liabilities as they fall due</p>	<ul style="list-style-type: none"> <li>Contribution levels are inadequate</li> <li>Investment strategy fails to deliver adequate returns</li> <li>Significant changes in member profile (i.e. rapid maturing of fund liabilities)</li> <li>Significant increases in actuarial assumptions (i.e. longevity).</li> </ul>	<ul style="list-style-type: none"> <li>Rise in employer contribution rate required</li> <li>Unplanned asset sales required to meet</li> <li>Revision of Funding and Investment strategies required</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Immediate cash injections would be required from employers by means of contributions</li> <li>Reduced funding levels</li> <li>Lost investment income from unplanned asset sales</li> <li>Transaction costs associated with changing strategies</li> </ul>		<ul style="list-style-type: none"> <li>Funding Strategy Statement</li> <li>Investment Strategy</li> <li>Ongoing advice from investment consultants, etc.</li> <li>Suitable policies &amp; strategies in place to prevent</li> <li>Regular monitoring of asset / liability valuations</li> <li>Triennial actuarial valuations</li> </ul>		 <p>No change</p>
<p><b>Operational</b> (Risk appetite - minimalist)</p> <p>4. Inability to maintain service due to loss of main office, computer system or staff</p>	<ul style="list-style-type: none"> <li>Fire, bomb, flood, etc.</li> <li>Staff unable to access office (i.e. public health restrictions)</li> <li>IT system / network outage</li> </ul>	<ul style="list-style-type: none"> <li>Temporary loss of service provision.</li> <li>Delayed payments &amp; processing</li> <li>Retiring staff will be paid late</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications for members.</li> <li>Loss of stakeholder confidence.</li> <li>Financial cost to the fund if interest has to be paid to members.</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>DCC business continuity plan (top priority)</li> <li>Contractual agreement with system provider</li> <li>Daily back up and contingent procedures</li> <li>Back-up server located in different building</li> <li>100% staff remote working capabilities</li> </ul>		 <p>No change</p>

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
<p><b>Operational</b> (Risk appetite - minimalist)</p> <p>5.Loss of funds through fraud or misappropriation</p>	<ul style="list-style-type: none"> <li>Fraud or misappropriation of funds by staff/employer/ 3<sup>rd</sup> party service provider</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss to the fund</li> <li>Reputational risk for the Fund</li> <li>Adverse audit opinion</li> <li>Breach of statutory requirements</li> <li>Enforcement action</li> </ul>	<ul style="list-style-type: none"> <li>Requirement for report to regulator &amp; subsequent action if required</li> <li>Criminal investigation</li> <li>Loss of stakeholder confidence</li> <li>Recovery / legal action required</li> </ul>		<ul style="list-style-type: none"> <li>Internal and external audit regularly test that appropriate controls are in place and working effectively.</li> <li>Regulatory control reports from investment managers, custodian, etc are also reviewed by audit.</li> <li>Due diligence carried out when a new manager is appointed.</li> <li>Reliance also placed on Financial Conduct Authority registration &amp; requirements.</li> </ul>		 <p>No Change</p>
<p><b>Funding - Employer related</b> (Risk appetite - cautious)</p> <p>6.Employers unable to participate in scheme</p>	<ul style="list-style-type: none"> <li>Employer liabilities increase disproportionately as a result of changed member profiling</li> </ul>	<ul style="list-style-type: none"> <li>Employers unable to maintain contributions</li> <li>Employers exit from fund</li> <li>Employer cannot meet</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Financial loss to fund, triggering asset sales to meet pension payments</li> </ul>		<ul style="list-style-type: none"> <li>Full Actuarial Valuation undertaken every 3 years (employers advised of liability)</li> </ul>		 <p>No Change</p>

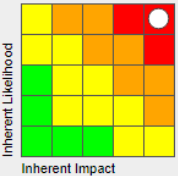
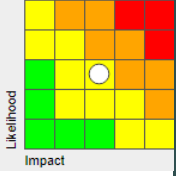
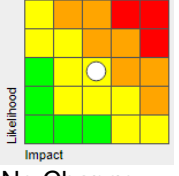
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	<ul style="list-style-type: none"> <li>Employer liabilities increase disproportionately as a result of external factors (i.e. change in bond yields)</li> <li>Reduced asset values in relation to liabilities due to external factors</li> </ul>	liabilities on exit	<ul style="list-style-type: none"> <li>Fund profile changed as a result of employer exit</li> <li>Insolvency of employer</li> <li>Recovery of liabilities in liquidation</li> </ul>		<ul style="list-style-type: none"> <li>Funding Strategy enables exit at minimum risk.</li> <li>Independent covenant and financial settlement assessment on affordability</li> <li>Employer contribution payment flexibility within financial year (subject to agreement)</li> <li>Employer / fund communications and relationship management</li> </ul>		
<p><b>Funding - Investment</b> (Risk appetite - open)</p> <p>7. Significant rises in employer contributions due to poor/negative investment returns</p>	<ul style="list-style-type: none"> <li>Poor economic conditions</li> <li>Inappropriate investment strategy</li> <li>Poor selection / performance of investment managers</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact as a result of poor/negative investment returns</li> <li>Revision of investment strategy required</li> <li>Dismissal of investment managers</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Reduced funding level</li> <li>Increased contributions required</li> <li>Transaction costs on change of strategy or investment manager</li> </ul>		<ul style="list-style-type: none"> <li>Performance &amp; funding levels monitored on an ongoing quarterly basis</li> <li>Investment &amp; Funding strategies reviewed and assessed independently</li> <li>Diversified range of investment managers over</li> </ul>		No change

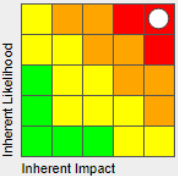
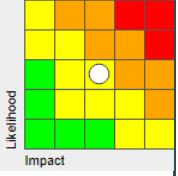
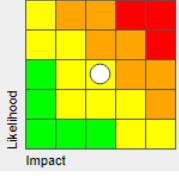
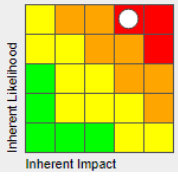
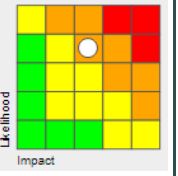
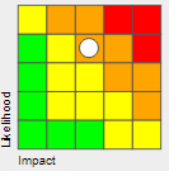
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
					different asset classes <ul style="list-style-type: none"> <li>10% asset shock reserve</li> </ul>		
<b>Operational</b> (Risk appetite - minimalist)  8.Failure of global custodian	<ul style="list-style-type: none"> <li>Financial collapse of global custodian or failure to safeguard assets or records</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss to the fund.</li> <li>Loss of information required for statutory and accounting purpose</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Severe service disruption as a result of recovery action</li> <li>Statutory breaches</li> </ul>		<ul style="list-style-type: none"> <li>Legal agreement with custodian.</li> <li>Credit rating monitored on an ongoing basis.</li> <li>Regulated by Financial Conduct Authority.</li> <li>Assets not on custodian balance sheet.</li> </ul>		 No Change
<b>Funding - Investment</b> (Risk appetite - open)  9.Failure of Investment Manager	<ul style="list-style-type: none"> <li>Substantial decline of global financial market</li> <li>Economic factors impacting on asset class</li> <li>Under performance of investment manager</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss to the fund</li> <li>Reduced asset returns</li> <li>Investment outflows from investment manager portfolio</li> <li>Termination of mandate with investment manager</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Reduced funding level</li> <li>Increased employer contribution levels</li> <li>Required appointment of alternative investment manager</li> <li>Transaction costs associated with change</li> </ul>		<ul style="list-style-type: none"> <li>Performance monitored on an ongoing quarterly basis.</li> <li>Diversified range of asset classes.</li> <li>Advice provided by Investment Consultant.</li> </ul>		 No Change

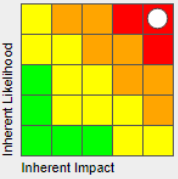
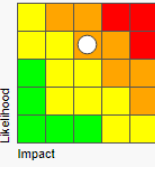
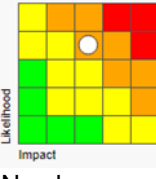
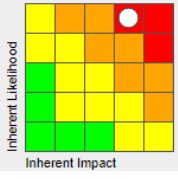
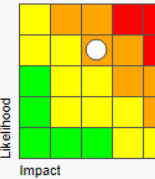
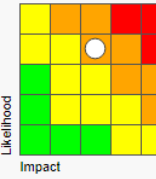
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
<p><b>Funding - Investment</b> (Risk appetite - open)</p> <p>10.Equity Risk</p>	<ul style="list-style-type: none"> <li>Market sector falls substantially as a result of global economic factors</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss to the fund</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Reduced funding level</li> <li>Increased employer contribution levels</li> </ul>		<ul style="list-style-type: none"> <li>Performance monitored on an ongoing quarterly basis.</li> <li>Investment strategy with diversified range of asset classes and long-term investment objectives.</li> <li>Advice provided by Investment Consultant.</li> <li>Fund officers remain in close communications with investment managers</li> <li>10% volatility reserve</li> </ul>		 <p>No Change</p>
<p><b>Governance</b> (Risk appetite - minimalist)</p> <p>11.Failure to comply with changes to LGPS regulations and other new regulations / legislation</p> <p>Specifically:</p> <ul style="list-style-type: none"> <li>GMP</li> <li>McCloud</li> <li>Pensions Dashboard</li> </ul>	<ul style="list-style-type: none"> <li>Significant changes to scheme &amp; regulations which staff are unfamiliar with</li> <li>Failure in readiness for changes</li> <li>Lack of technical expertise / training</li> </ul>	<ul style="list-style-type: none"> <li>Incorrect calculations</li> <li>Delays in processing</li> <li>Statutory breaches</li> <li>Reputational risk</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications for members.</li> <li>Loss of stakeholder confidence.</li> <li>Financial cost to the fund if interest has to be paid to members.</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>Verification process in place within Pensions section</li> <li>Staff training</li> <li>Audited key processes reviewed prior to significant changes</li> <li>Recruitment exercises as required</li> </ul>		 <p>No change</p>

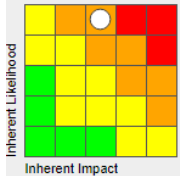
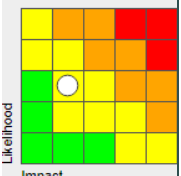
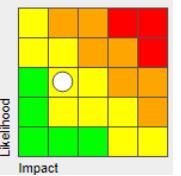
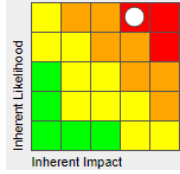
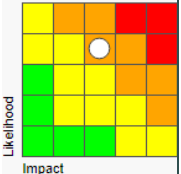
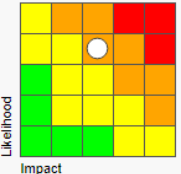
Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	<ul style="list-style-type: none"> <li>Inadequate procedures / process</li> <li>Lack of resources</li> <li>Error in interpreting requirements</li> <li>IT systems not updated to reflect changed requirements</li> </ul>				<ul style="list-style-type: none"> <li>Robust system maintenance &amp; upgrade</li> <li>Specialist advice used as required to ensure correct interpretation</li> <li>Performance monitoring</li> <li>Project management for implementation of key changes / exercises</li> </ul>		
<p><b>Governance</b> (Risk appetite - minimalist)</p> <p>12.Failure to comply with governance best practice</p> <p>Specifically:</p> <ul style="list-style-type: none"> <li>TPR New Draft Code of Practice</li> <li>TPR Good Governance project outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Failure to implement requirements</li> <li>Inadequate processes / procedures</li> <li>Inadequate training as to changed requirements</li> </ul>	<ul style="list-style-type: none"> <li>Breach of statutory requirements</li> <li>Sub-standard service to members and employers</li> <li>Reputational risk for the Fund</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory action</li> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>Staff training</li> <li>Audited key processes reviewed prior to significant changes</li> <li>Specialist review and advice</li> </ul>		 <p>No Change</p>
<p><b>Pension Administration</b> (Risk appetite - minimalist)</p> <p>13.Failure to provide quality service to members</p>	<ul style="list-style-type: none"> <li>Inadequate administration &amp; communication policies</li> <li>Lack of resources</li> </ul>	<ul style="list-style-type: none"> <li>Reputational risk for the Fund</li> <li>Processing delays &amp; errors</li> <li>Late payments</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications to members</li> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>Key policies reviewed and updated annually or sooner if required</li> <li>Recruitment exercises as required in</li> </ul>		 <p>No Change</p>

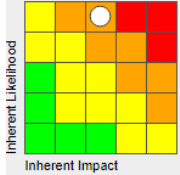
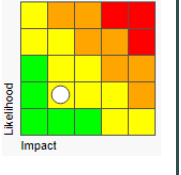
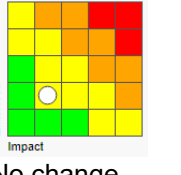
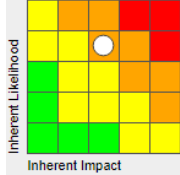
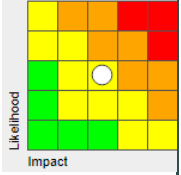
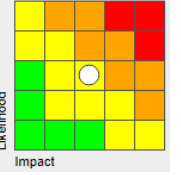


Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	<ul style="list-style-type: none"> <li>Lack of staff skills / knowledge</li> <li>Lack of training</li> <li>Ineffective processes &amp; procedures</li> <li>Poor communication documentation</li> <li>Unanticipated workloads</li> </ul>	<ul style="list-style-type: none"> <li>Sub-optimal decision making</li> <li>Reputational risk for the Fund</li> </ul>			<ul style="list-style-type: none"> <li>keeping with statutory requirements</li> <li>Ongoing staff training and support</li> <li>Key processes audited and reviewed annually</li> <li>Communication / documentation reviewed regularly and updated</li> <li>Weekly work allocation to prioritise and avoid bottlenecks</li> </ul>		
<p><b>Operational</b> (Risk appetite - minimalist)</p> <p>14.Failure to hold personal data securely</p>	<ul style="list-style-type: none"> <li>Insufficient system abilities re security of data</li> <li>Sub-standard retention processes &amp; procedures</li> <li>Inadequate data retention policy, backup and recovery procedures</li> <li>Change of retention requirements</li> </ul>	<ul style="list-style-type: none"> <li>Data lost or compromised</li> <li>Incorrect member records</li> <li>Processing delays &amp; errors</li> <li>Retiring staff will be paid late</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact to members</li> <li>Loss of stakeholder confidence.</li> <li>Financial cost to the fund if interest has to be paid to members.</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>Data security system settings &amp; controls</li> <li>Data retention policy &amp; processes / back up &amp; recovery procedures</li> </ul>		 <p>No Change</p>

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
		requirements					
<p><b>Operational</b> (Risk appetite - minimalist)</p> <p>15.Cybercrime</p>	<ul style="list-style-type: none"> <li>Inadequate system abilities re security of data</li> <li>Inadequate controls and security protocol</li> </ul>	<ul style="list-style-type: none"> <li>Data lost or compromised</li> <li>Incorrect member records</li> <li>Processing delays &amp; errors</li> <li>Retiring staff will be paid late</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact to members</li> <li>Loss of stakeholder confidence.</li> <li>Financial cost to the fund if interest has to be paid to members.</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>Data security system settings &amp; controls</li> <li>Data back-up &amp; recovery procedures</li> </ul>		 <p>No Change</p>
<p><b>Pension Administration</b> (Risk appetite - minimalist)</p> <p>16.Failure to keep pension records up-to-date and accurate</p>	<ul style="list-style-type: none"> <li>Non-availability of pension / payroll systems</li> <li>Resource unavailable</li> <li>New staff undertaking duties</li> <li>Increased workload</li> <li>Failure to gain relevant information</li> </ul>	<ul style="list-style-type: none"> <li>Processing delays</li> <li>Processing errors</li> <li>Retiring members will be paid late</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications for members</li> <li>Loss of stakeholder confidence</li> <li>Financial cost to the fund if interest has to be paid to members</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>System contingency / recovery prioritised</li> <li>Service prioritisation / allocation</li> <li>Staff training</li> <li>Scheduled communications / updates from employers</li> </ul>		 <p>No Change</p>

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	from employers to enable processing						
<p><b>Governance</b> (Risk appetite - minimalist)</p> <p>17.Lack of expertise on Pension Committee, Pension Board or amongst officers</p>	<ul style="list-style-type: none"> <li>Lack of training &amp; continuous professional development</li> <li>Loss of key staff and management</li> <li>Lack of succession planning within the structure</li> </ul>	<ul style="list-style-type: none"> <li>Detrimental decision making</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> <li>Failure to meet objectives</li> <li>Failure to meet deadlines</li> <li>Additional pressure on existing staff</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Inability to meet overall strategic objectives</li> <li>Increase in employer contribution requirements</li> <li>Regulatory action</li> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>Key policies and governance arrangements independently audited and reviewed</li> <li>Key officer meets Markets in Financial Instruments Directive (MIFIID) professional investor requirements</li> <li>Training &amp; support</li> <li>External specialist advice</li> <li>TPF structure and resource review underway</li> </ul>		 <p>No change</p>
<p><b>Governance</b> (Risk appetite - minimalist)</p> <p>18.Over reliance on key officers</p>	<ul style="list-style-type: none"> <li>Loss of key individuals</li> <li>Inability to recruit individuals with specialist skills &amp; experience</li> </ul>	<ul style="list-style-type: none"> <li>Detrimental decision making</li> <li>Reputational risk for the Fund</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Inability to meet overall strategic objectives</li> <li>Increase in employer contribution requirements</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>Key policies and governance arrangements independently audited and reviewed</li> <li>Knowledge &amp; experience of staff</li> </ul>		 <p>No Change</p>

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	<ul style="list-style-type: none"> <li>Inadequate governance arrangements</li> <li>Lack of specialist advisors to support</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet objectives</li> </ul>	<ul style="list-style-type: none"> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>External specialist advice</li> <li>Peer support from other LGPS</li> </ul>		
<p><b>Governance</b> (Risk appetite - minimalist)</p> <p>19. Failure to communicate adequately with stakeholders</p>	<ul style="list-style-type: none"> <li>Inadequate communication policy</li> <li>Inadequate processes &amp; protocols with employers and scheme members</li> </ul>	<ul style="list-style-type: none"> <li>Scheme members not aware of their rights</li> <li>Employers not aware of regulations, procedures, etc.</li> <li>Reputational risk</li> <li>Breach of statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Sub-optimal decision making resulting to financial detriment of members</li> <li>Errors in members calculations</li> <li>Loss of stakeholder confidence</li> <li>Regulatory action</li> </ul>		<ul style="list-style-type: none"> <li>Communications policy</li> <li>Standard documentation &amp; communications</li> <li>Website information</li> <li>Standard key processes &amp; protocols</li> <li>Employer communications (e mails / info sessions / documentation / guidance)</li> <li>Adequately trained staff</li> </ul>		 <p>No Change</p>
<p><b>Funding - Employer related</b> (Risk appetite - cautious)</p> <p>20. Employer Covenant Risk</p>	<ul style="list-style-type: none"> <li>Change in employer actuarial profile which has resulted in significant increase in liability</li> <li>Unsuitable guarantee /</li> </ul>	<ul style="list-style-type: none"> <li>Employers unable to financially provide for exit liability</li> </ul>	<ul style="list-style-type: none"> <li>Inability to meet overall strategic objectives</li> <li>Financial impact on overall funding level</li> <li>Remaining employers required to accommodate the</li> </ul>		<ul style="list-style-type: none"> <li>Government or local authority guarantees, bonds or securities over assets</li> <li>Independent covenant review and financial</li> </ul>		 <p>No Change</p>

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	financial health of employer		shortfall via increased contribution		assessments to identify <ul style="list-style-type: none"> <li>Funding strategy to enable exit at minimal risk to remaining employers</li> <li>Affordable payment schedule independently assessed</li> </ul>		
<b>Governance</b> (Risk appetite - minimalist)  21.Risks in relation to use of 3 <sup>rd</sup> party service providers	<ul style="list-style-type: none"> <li>Inadequate policy</li> <li>Poor due diligence and selection processes</li> <li>Poor contract management</li> </ul>	<ul style="list-style-type: none"> <li>Poor decision making</li> <li>Failure of supplier adhering to contractual agreement</li> <li>Reputational risk</li> </ul>	<ul style="list-style-type: none"> <li>Financial detriment to the fund</li> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>Procurement policy</li> <li>Contracts database</li> <li>Documented contract management protocol</li> <li>Use of national frameworks</li> </ul>		 No change
<b>Funding - ESG</b> (Risk appetite - cautious)  22.Failure to implement ESG Policy (specifically in relation to Climate Change and incoming requirements of TCFD)	<ul style="list-style-type: none"> <li>Inadequate policy &amp; practices</li> <li>Failing to understand incoming requirements</li> <li>Failing to plan and implement changes required</li> </ul>	<ul style="list-style-type: none"> <li>Poor decision making</li> <li>Non-compliant actions being taken</li> <li>Statutory breach</li> <li>Reputational risk</li> </ul>	<ul style="list-style-type: none"> <li>Failing to meet strategic objectives</li> <li>Regulatory action</li> <li>Loss of stakeholder confidence</li> </ul>		<ul style="list-style-type: none"> <li>Regularly reviewed policies, processes and reporting</li> <li>Project plans to meet changing requirements</li> <li>Specialist advice as required</li> <li>Training</li> </ul>		 No Change

Risk Type & Title	Causes	Impact	Consequence	Inherent Risk	Controls	Residual Risk (Previous Quarter)	Residual Risk (Current)
	<ul style="list-style-type: none"><li data-bbox="488 295 696 384">• Lack of knowledge &amp; skills</li></ul>						

**ITEM No ...5.....**

**REPORT TO:** PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD – 8 DECEMBER 2025

**REPORT ON:** PENSION ADMINISTRATION PERFORMANCE – UPDATE TO 30 SEPTEMBER 2025

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 363-2025

**1. PURPOSE OF REPORT**

This report provides information on the recent quarter's operational performance in relation to Pension Administration and other general developments in this area over the above period.

**2. RECOMMENDATIONS**

The Sub-Committee is asked to note the contents of the report.

**3. FINANCIAL IMPLICATIONS**

There are no direct financial implications.

**4. BACKGROUND**

This report focusses on statutory performance and is subject to ongoing review and development that will aim to provide enhanced reporting functionality that can be prepared efficiently and improve the quality of information on administration performance and compliance that is presented to members for scrutiny.

**5. SERVICE SUMMARY**

- Summary of Statutory Performance Requirements**

The following table summarises the performance of the fund administration against statutory requirements:

	Received <sup>(1)</sup>			Completed <sup>(2)</sup>			Statute Days <sup>(3)</sup>	Average Days to Complete Q1 <sup>(4)</sup>	Cases Completed Out with Statute <sup>(5)</sup>
	Q1	Q2	% Change	Q1	Q2	% Change			
Starter	958	775	-19%	915	712	-22%	60	1	0
Estimate	145	185	28%	162	209	29%	60	50	73
Options	483	541	12%	389	623	60%	60	47	135
Actual	287	295	3%	334	280	-16%	60	16	0
TV In	28	28	0%	31	27	-13%	60	29	0
TV Out	138	215	56%	135	197	46%	90	37	8
Deferred	225	326	45%	310	335	8%	60	28	16
Death	153	161	5%	147	160	9%	60	12	3
Death Grant	26	23	-12%	44	21	-52%	60	38	0
Dependant	57	57	0%	64	52	19%	60	26	0
Divorce	15	13	-13%	13	18	38%	90	45	2
<b>Total</b>	<b>2,515</b>	<b>2,619</b>	<b>4%</b>	<b>2,544</b>	<b>2,634</b>	<b>4%</b>			<b>237</b>

Key:

Q1 denotes April to June 2025 period.

Q2 denotes July 2025 to September 2025.

- 1) Reflects total number of cases received in each period and movement %
- 2) Reflects total number of cases completed in each period and movement %
- 3) Reflects the statutory target timescale to deal with each case
- 4) Reflects the average number of days take to complete each case during the quarter
- 5) Reflects the number of individual cases that were not dealt with in the statutory time

The following provides further detail on statutory task data:

### Overall Caseload:

This quarter saw an increase of 4% in both cases received and completed. There was a period of staff absences, along with the McCloud rectification project and the requirement for key staff involvement which is continuing to affect processing times.

### Prioritised Tasks:

- **Issue of Pension Options & Pensions Brought into Payment**
  - The processing of members actual benefits remains consistent with the volume of cases received. Although there was a 16% drop in cases completed, all were processed within the statutory timeframe
  - The number of options received increase by 12%, while cases completed increased by 60% this quarter. However, 135 cases were completed out with statue, this was primarily due to staff absences and the increase in volumes during the period.
- **Processing of Death Benefits, Payments of Death Grants, and Dependant Pensions**
  - Death Grants and Dependants had all cases completed within the statutory time frame.
  - Deaths had 3 cases completed out with statue as these were notified as part of the NFI exercise and required additional resource to establish the required details to complete.

### Other Statutory Tasks:

- **New Member Processing:** Case numbers dropped in both the received and completed this period. The workflow system in operation continues to keep the average processing days low.
- **Estimates:** There was an increase in both cases received and completed, however, there were 73 cases completed out with statue timeframe, this was primarily due to staff absences and the increase in volumes during the period.
- **Deferred Member Processing:** The number of cases received in the quarter increased by 45% and there was also an 8% increase in the number of cases completed. Some cases continue to be complex in this area as the team communicate with the employers for information to calculate the member benefits and this is a contributing factor to the 16 cases being completed out with statue
- **Outbound Benefit Transfers:** There was an increase in case volumes in this quarter by 56% received and 46% completed. There were 8 cases completed out with statue. Increase volumes and the complexity of some calculations have impacted on time frames in the area.
- **Inbound Benefit Transfers:** The number of cases received in this quarter stayed the same, but the number completed decreased by 13%
- **Divorces:** There was an increase of 38% in case completed, however, there were 2 cases completed out with statue.

## 5.1 Other Pension Operations



The following table summarises the other operations undertaken in addition to statutory requirements:

	Received <sup>(1)</sup>			Completed <sup>(2)</sup>			Days to complete <sup>(3)</sup>		
	Q1	Q2	% Change	Q1	Q2	% Change	Q1	Q2	% Change
Amendment to Account	2,072	1,896	-8%	568	950	67%	12	12	0%
Certificates	239	650	172%	217	108	-50%	22	15	-34%
Other Admin Tasks	1,308	1,742	33%	1,286	1,427	11%	76	54	-29%
Other pensions processing	1,892	1,481	-22%	1,521	1,180	-22%	214	313	46%

Q1 denotes April to June 2025 period.

Q2 denotes July to September 2025 period

- 1) Reflects total number of cases received in each period and movement %
- 2) Reflects total number of cases completed in each period and movement %
- 3) Reflects the average number of days take to complete each case during the quarter and movement %

Staff training and recruitment continues to have an impact on the case numbers, although we are continuing to see improvements.

## 5.2 Employer Contributions

For the period July-September covering the payroll periods of June-August we received 4 Late payments. The late payments were all received the next working day after the deadline.

### Employers and Member Online Portals:

## 5.3 Member Self Service Update

At the 30<sup>th</sup> September 2025 we had 19,370 members registered for the Member Self Service Portal, this is an increase of 877 from the last period. This increase will mainly be due to members registering to view their Annual Benefit Statement.

As previously advised, we are progressing with the transition to the new Heywood Engage Pensions Portal, which is scheduled to go live in October 2025. The staff involved in the project are continuing to work closely with Heywood on the migration process, and an overview of the new system has been provided to the full team in preparation for the launch.

To ensure members are informed, details of the new system were published in the News section of Tayside Pension Fund website.

## 5.4 I-Connect Update

There were 32 Employers who have submitted monthly uploads through the I-Connect system during the period. We are still working with larger employers to iron out issues with the data being received.

All employers have been advised that this year we expect all uploads to be completed on I-Connect and will be reviewed in line with the administration strategy and escalated if required.

## 5.5 Call Centre

During the quarter, 3,051 calls were received, representing an increase of 163 calls compared to the previous period. Total time spent on calls was 574 hours, an increase of 19 hours.

This rise was primarily due to members receiving their Annual Benefit Statements during this period. This area continues to be a significant resource requirement for the team.

## 5.6 Compliance

National Fraud Initiative: 6 overpayments totalling £14,031.25 were identified from the 2024/25 exercise.

An overpayment amounting to £112.88 has been recovered from the letters that were issued to family members. Five overpayments remain outstanding which amount to £13,918.37.

## 5.7 Recruitment

- The successful candidate for the Clerical Assistant post started on the 21<sup>st</sup> July 2025.
- Due to an internal staff progression to a Pension Assistant role in the last quarter a further Clerical Assistant post was advertised, and interviews took place in August. The successful candidate will start in the next quarter.
- The Scheme Manager advised she will be retiring at the 30<sup>th</sup> November 2025.
- The review into resources and structure is ongoing and Hymans Robertson have been instructed to support on this. Further updates will be provided as this progresses.

## 5.8 Queries & Complaints

- 6,820 emails were received into the generic mailbox in the quarter up to 30<sup>th</sup> September 2025, this equated to approximately 103 emails per working day. This rise was primarily due to members receiving their Annual Benefit Statements during this period. This area continues to be a significant resource requirement for the team.
- Complaints to Prudential: None
- Complaints to Standard Life: None
- GDPR: 151
- Complaints: 8 received which were upheld

## 5.9 Data Breach

The breach involved paper copies of Annual Benefit Statement that were posted to members which contained general personal data. There is no ongoing risk of further data loss. Remedial actions were taken promptly which consisted of:

- Reporting the incident to our Data Protection Officer and the Information Commissioner's Office (ICO).
- Identified affected members and notified them that their Annual Benefit Statement had been issued in error to an unintended recipient.
- Contacted members who received incorrect statements to advise them of the error and instructed them to securely destroy the document without retaining or sharing.
- Implemented changes to internal processes and controls for data handling and communications to minimise the risk of similar human error in future.

The team are committed to learning from this incident and strengthening safeguards to prevent recurrence.

PwC are currently undertaking an audit of GDPR, and any recommendations made in relation to data security will be actioned.

## Complaints

As consequence of the GDPR breach previously noted, there were 7 complaints received in relation. All complaints were upheld.

### 5.10 Staff Training

- In House Training

In house training continues to be undertaken in the team, with peer-to-peer training being provided by experience staff. This will be reviewed in the wider resource review.

- External Training

In July 2025, two members of the senior team attended the Heywood AGM. This two-day event provided workshops on Pensions Dashboards, along with details on future developments and enhancements.

### 5.11 End of Year Update

All end of year reports from employers were submitted by the end of the quarter to allow the Annual Benefit Statement process to be completed.

### 5.12 Annual Benefits Statements

The Annual Benefit Statement exercise was carried out in August and the below is a breakdown of the communication sent as well as the method these were issued. As required by The Pension Regulator, all members effected by McCloud were advised that the figures on their Annual Benefit Statement did not reflect any protection they may have under McCloud.

Annual Benefit Statements must be issued by the 31st August annually and this statutory deadline was met.

	<u>Emails</u>	<u>Letters</u>	<u>Activation Keys</u>	<u>Totals</u>
<b><u>Active</u></b>	<b><u>9,835</u></b>	<b><u>1,496</u></b>	<b><u>6,237</u></b>	<b><u>17,568</u></b>
McCloud Protected	3,729	510	1,052	5,291
McCloud Possibly Protected	5,462	923	4,022	10,407
McCloud Not Protected	644	63	1,163	1,870
<b><u>Active Councillors</u></b>	<b><u>60</u></b>	<b><u>7</u></b>	<b><u>39</u></b>	<b><u>106</u></b>
McCloud Protected	42	1	4	47
McCloud Possibly Protected	5	6	32	43
McCloud Not Protected	13	0	3	16
<b><u>Deferred</u></b>	<b><u>4,475</u></b>	<b><u>885</u></b>	<b><u>4,021</u></b>	<b><u>9,381</u></b>
McCloud Protected	1,002	168	610	1,780
McCloud Possibly Protected	1,427	240	1,553	3,220
McCloud Not Protected	2,046	477	1,858	4,381

<b><u>Deferred Councillors</u></b>	<b><u>14</u></b>	<b><u>2</u></b>	<b><u>7</u></b>	<b><u>23</u></b>
McCloud Protected	0	0	4	4
McCloud Possibly Protected	13	2	3	18
McCloud Not Protected	1	0	0	1
	<b><u>14,384</u></b>	<b><u>2,390</u></b>	<b><u>10,304</u></b>	<b><u>27,078</u></b>

### 5.13 McCloud

Tayside Pension Fund continue to work with employers to obtain relevant data, check qualifying criteria and update member records which will then allow the adjustment of any qualifying underpins to be calculated and applied to member benefits. This exercise is still ongoing as some employers have not provided the data and others have outstanding queries which are being worked through.

A report to The Pension Regulator was made on the 25<sup>th</sup> August 2025 to advise that members would not have McCloud data included in the Annual Benefits Statement for 2025 and to advise them of the implementation plan in place for 2025/26, which is detailed below:

- Business as usual cases will commence from the 1st November 2025.
- Prepare and validate remedial service data for inclusion early in 2026.
- Issue 2025/26 Annual Benefit Statements with McCloud remedy by 31st August 2026.

### Action and Plans

To meet the timeline for Tayside Pension Fund's plan to factor in the remedial service information for the 2025/26 Annual Benefit Statements, the following actions have been implemented:

1. Working closely with software provider to ensure administration system is ready to support McCloud remedy calculations
2. Staff training has been provided and completed to ensure confidence in applying the remedy and when communicating with our members.
3. Email communication and scheduled meetings are in place with some employers to facilitate the requirement of outstanding or inconsistent data.

### 5.14 Pension Dashboard

Testing has continued with the ISP (Integrated Service Provider) for Tayside Pension Fund to connect to the Pension Dashboard. This allows the fund to fine tune the matching criteria and get ready for the staged connection date set by DWP in October 2025.

Member AVC data will also be available on the Dashboard, and the necessary data has been reconciled for both Prudential and Standard Life.

### 5.15 Exiting Employers

When employers exit an LGPS fund, a cessation valuation is undertaken in accordance with the Funding Strategy Statement. Cessation valuations are undertaken by the Actuary on a prudent basis using a stochastic approach with the aim to limit the probability of a deficit arising in the future to 15% to provide more affordable cessation liabilities whilst still providing sufficient protection for the other employers in the Fund.

Dovetail Ltd went into administration on 31 March 2025, although the last employee left the fund in May 2025. This triggered a cessation valuation undertaken by Barnett Waddingham (Fund Actuary) which resulted in an exit credit. Administrators have been informed that settlement will be made net of outstanding contributions and strain costs associated with the staff redundancies.

The contract between IDVerde Ltd and LACD to provide greenkeeping services terminated at end of April 2025, and as a result of this, the membership of TPF ended at same date which affected 3 members. The resultant cessation valuation, net of strain costs has been requested from Barnett Waddingham (Fund Actuary).

### **5.16 Consultation on changes to the LGPS Regulations**

On 2 September 2025, the Policy Officer at the Scottish Public Pensions Agency (SPPA), emailed administering authorities to announce the launch of a consultation on proposed changes to the LGPS regulations.

The consultation includes proposals in relation to:

- death grants
- the gender pensions gap
- opt-outs
- forfeiture
- McCloud
- small pot payments
- lifetime allowance abolition
- refunds
- retained EU Law 4
- Neonatal Care Leave
- concurrent membership aggregation
- the right to use AVCs to buy added pension.

The consultation documents are available on the Scheme consultations page of [www.scotlgpsregs.org](http://www.scotlgpsregs.org).

Funds in Scotland are collectively putting together a response to the consultation and details of this will follow.

### **5.17 Amendments to the Pensions Schemes Bill in response to the Virgin Media judgment**

The Government has introduced new amendments to the Pensions Schemes Bill which aim to fix problems highlighted by the recent Virgin Media v NTL Pension Trustees judgment. The judgment questioned whether some past changes to workplace pension schemes that were previously contracted-out were legally valid.

To resolve this, the new amendments will provide for retrospective actuarial validation of past changes where certain conditions are met. You can view the most recent draft of the Pension Schemes Bill on Parliament's website

[Pension Schemes Bill - Parliamentary Bills - UK Parliament](#)

## **6. REGULATIONS**

Details of regulatory matters are contained in Appendix 1.

## **7. POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an

Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

**8. CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

**9. BACKGROUND PAPERS**

None

**PAUL THOMSON**

**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**27 November 2025**

**REGULATORY COMMUNICATIONS****Website Updates****LGPS website for funds in Scotland**

[LGPS Regulations and Guidance](#)

**HMRC**

- Inheritance tax consultation response - [Inheritance Tax on pensions: liability, reporting and payment — Summary of responses - GOV.UK](#)
- Review of State Pension Age - [Written statements - Written questions, answers and statements - UK Parliament](#)
- Pensions Bill - [Pension Schemes Bill - Parliamentary Bills - UK Parliament](#)
- [Newsletter 171 — July 2025 - GOV.UK](#)
- [Newsletter 172 — August 2025 - GOV.UK](#)
- [Pensions schemes newsletter 173 — September 2025 - GOV.UK](#)

**Pension Dashboards**

- [Consumer testing approach: MoneyHelper Pensions Dashboard | Reports and analysis | UK Pensions Dashboards Programme](#)
- [Hundreds of pension providers and schemes and millions of records connected to pensions dashboards ecosystem | News | UK Pensions Dashboards Programme](#)
- [PRESS RELEASE – PASA publishes updated Data Matching Convention \(DMC\) Guidance to support pensions dashboards rollout – The Pensions Administration Standards Association](#)
- [Don't miss your dashboards deadline over a 'data debt'](#)
- [Our approach to testing the MoneyHelper Pensions Dashboard | Blogs | UK Pensions Dashboards Programme](#)
- [Chris Curry: My experience testing the MoneyHelper Pensions Dashboard | Blogs | UK Pensions Dashboards Programme](#)

**The Pension Regulator (TPR)**

[Enforcement strategy consultation](#)

**The Pensions Ombudsman**

[Corporate Strategy 2025-28 | The Pensions Ombudsman](#)

**Scheme Advisory Board**

Scotland Updates

[August-2025-SAB-Bulletin.pdf](#)

England & Wales updates

[LGPS Scheme Advisory Board - Home](#)

**SPPA**

Circular is to clarify employer duties when making discretionary decisions flexible retirement - [202503.pdf](#)

Circular is to notify employers and members of impending changes to the normal minimum pension age from 6 April 2028 - [202504.pdf](#)



**ITEM No ...6.....**

**REPORT TO: PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE & PENSION BOARD – 8 DECEMBER 2025**

**REPORT ON: TREASURY MANAGEMENT ACTIVITY 2025/2026 (MID-YEAR REVIEW)**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 364-2025**

**1 PURPOSE OF REPORT**

To review Tayside Pension Fund's Treasury Management activities for the period 1 April 2025 to 30 September 2025.

**2 RECOMMENDATION**

The Sub-Committee is asked to note the contents of the report.

**3 FINANCIAL IMPLICATIONS**

The Treasury Management activity during the first half of the current financial year indicates that investment income from cash balances held to pay pension benefits will be approximately £1,100,000 for 2025/2026.

**4 BACKGROUND**

Tayside Pension Fund is administered by Dundee City Council in accordance with Section 24 of its Financial Regulations. Investment policy and decisions (including those relating to Treasury Management) are delegated to the Pension Sub-Committee of the City Governance Committee. The Pension Board assist the Sub-Committee with securing compliance to the regulations.

The primary objective of the Tayside Pension Fund is to provide for scheme members' pension and lump sum benefits on their retirement or for their dependants on death before or after retirement, on a defined benefits basis. There is limited discretion to vary these benefits.

Dundee City Council in its administering role, defines its treasury management activities as:

"The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

It regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

It acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable performance measurement techniques, within the context of effective risk management.

All treasury management activities must comply with the appropriate regulations, codes and guidance as stated in the Treasury Management Policy Statement of Dundee City Council.

At its meeting on 22 September 2025, the Pension sub-committee of the City Governance Committee and Pension Board approved the Fund's Treasury Policy Statement (Report no.

260-2025, article IX of minute refers) setting out the policies which would govern all lending transactions carried out by the Fund.

The Treasury Policy Statement requires that the Pension sub-committee of the City Governance Committee and Pension Board receive and consider the Treasury Management Strategy at the beginning of each new financial year.

On 17 March 2025, the Pension sub-committee of the City Governance Committee and Pension Board approved the Fund's Treasury Management Strategy for 2025/2026 (Report no. 99-2025, article X of minute refers).

This monitoring report covers the Treasury Management activity over the first six months of 2025/2026 financial year for cash held to pay pension benefits. Fund managers will also hold cash within custodian bank accounts, these amounts are excluded from this report.

## 5 ACTUAL LENDING

Variations in cash flow requirements mean that there will be surplus funds which will be invested for short periods (maximum of 364 days). Short term investments will be restricted only to those institutions identified in the Fund's Approved Counterparties list provided they have maintained a suitable credit rating.

An analysis of the lending position to 30 September 2025 shows:

Month	Lowest Amount Lent £m	Highest Amount Lent £m	End of month Amount Lent £m	Interest Rate Range %	
				Min	Max
April 2025	5.700	30.830	27.780	4.47	4.54
May 2025	16.530	28.555	16.530	4.31	4.49
June 2025	9.880	21.175	9.880	4.29	4.36
July 2025	4.300	50.000	50.000	4.23	4.32
August 2025	48.300	50.000	48.300	4.07	4.24
September 2025	41.325	49.800	41.325	4.02	4.11

All cash investments were compliant with Treasury Policy Statement as approved by sub-committee on 17 March 2025.

## 6 INTEREST RATE OUTLOOK 2025/2026

The Council's appointed treasury advisors (MUFG) assist the Council in formulating a view on interest rates. MUFG provided the following forecasts on 11 August 2025 -

	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Base Rate View	4.00%	3.75%	3.75%	3.50%	3.50%	3.50%
3m average earnings	4.00%	3.80%	3.80%	3.50%	3.50%	3.50%
6m average earnings	3.90%	3.70%	3.70%	3.50%	3.50%	3.50%
12m average earnings	3.90%	3.70%	3.70%	3.50%	3.50%	3.50%

	Jun-27	Sep-27	Dec-27	Mar-28
Base Rate View	3.50%	3.25%	3.25%	3.25%
3m average earnings	3.50%	3.30%	3.30%	3.30%
6m average earnings	3.50%	3.30%	3.30%	3.40%
12m average earnings	3.50%	3.30%	3.40%	3.50%

Bank of England Monetary Policy Committee has reduced interest rates on two occasions this financial year from 4.50% to 4.00% on 7 August 2025. The interest rate forecast table above shows base rate is expected to continue reducing to 3.50% during 2026 with a further reduction in 2027.

**7 POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

**8 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

**9 BACKGROUND PAPERS**

None.

**PAUL THOMSON**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**28 NOVEMBER 2025**

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**ITEM No ...7.....**

**REPORT TO:** PENSION SUB-COMMITTEE OF THE CITY GOVERNANCE COMMITTEE &  
PENSION BOARD– 8 DECEMBER 2025

**REPORT ON:** PROPOSED TIMETABLE OF MEETINGS FOR 2026

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 365-2025

**1 PURPOSE OF REPORT**

This report proposes a suggested programme of meetings of the Pension Sub-Committee and Pension Board in 2026.

**2 RECOMMENDATIONS**

It is recommended that Members of both Sub-Committee and Board examine the dates set out in the timetable in Appendix 1 and agree the proposed programme of meetings.

**3 POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

**4 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report

**5 BACKGROUND PAPERS**

None

**PAUL THOMSON**  
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**28 NOVEMBER 2025**

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**PENSION SUB-COMMITTEE & PENSION BOARD****TIMETABLE FOR 2026**

<b>Sub-committee date and time</b>	<b>Fund Manager to attend</b>	<b>Quarter / Year under consideration</b>	<b>Schedule of proposed committee reports *</b>
Monday 23 March 2026 at 12pm	Fidelity	31 December 2025	<ul style="list-style-type: none"> <li>- Treasury Management Policy and Strategy</li> <li>- Business Plan</li> <li>- Funding Strategy Statement</li> <li>- Pension Administration Strategy</li> <li>- Statement of Investment Principles Review</li> <li>- Annual Audit Plans 2026/27</li> <li>- Annual Investment Performance Review</li> <li>- Training Plan and Policy</li> <li>- Risk Policy</li> <li>- Procurement Policy</li> </ul>
Monday 29 June 2026 at 12pm	Legal & General	31 March 2026	<ul style="list-style-type: none"> <li>- Unaudited Annual Report and Accounts</li> <li>- Annual Governance &amp; Governance Compliance Statements</li> <li>- Environmental, Social &amp; Corporate Governance Policy</li> <li>- Annual Internal Audit Report 2025/26</li> <li>- Opportunistic Mandate – Appointment of Fund Manager</li> </ul>
Monday 28 September 2026 at 12pm	Partners Group	30 June 2026	<ul style="list-style-type: none"> <li>- Draft Audited Annual Report and Accounts</li> <li>- Annual External Audit Report 2025/26</li> <li>- Annual Treasury Management Activity</li> </ul>
Monday 14 December 2026 at 12pm	Apollo	30 September 2026	<ul style="list-style-type: none"> <li>- Proposed Timetable of Meetings for 2027</li> <li>- Annual Assessment of Investment Advisory Services</li> <li>- Treasury Management Activity 2026/27 (Mid-year Review)</li> <li>- Overview of Outcomes of 2026 Actuarial Valuation</li> </ul>

\* The following standard committee reports will be received quarterly – Funding Update, Risk Register, Pension Administration Performance and Investment Performance Summaries. Annual reports will be received for Socially Responsible Investment Activities and Securities Lending.

**NOTE**

These joint meetings will be held remotely until further notice. Time will be made available half an hour prior to the meetings for the Pension Board to meet, if required.