

**FALKIRK COUNCIL**

**MINUTE OF MEETING OF THE PENSIONS PANEL  
THURSDAY 30 AUGUST 2012  
MUNICIPAL BUILDINGS, FALKIRK**

**ATTENDING:**

**Officers – Falkirk Council**

B Smail, Chief Finance Officer  
A McGirr, Pensions Manager  
D Kelly, Senior Committee Services Officer

**Organisations**

Councillor C Campbell, Stirling Council  
A Douglas, Unison  
Councillor A Drummond, Clackmannanshire Council  
G Eals, Unison  
J Ford, SEPA  
M Keggan, Unison  
G Laidlaw, Scottish Autism  
S Mackay, Clackmannanshire Council  
Councillor C R Martin, Falkirk Council  
J McAuley, Falkirk Council  
I McLean, Pension Rep  
E Morrison, SCRA  
A Redpath, Pension Rep  
A Stewart, Forth Valley College  
W Watson, Stirling Council

**Attending:**

B Miller, Pensions Adviser

**1. APOLOGIES**

None.

**2. DECLARATIONS OF INTEREST**

None.

**3. PENSIONS PANEL ADMINISTRATION**

There was submitted Report (circulated) dated 17 August 2012 by the Chief Governance Officer (a) listing those Members appointed to serve on the Pensions Panel; (b) seeking nominations from those Members present to assume the position of Chair, and (c) requesting the nomination of 3 of the Membership to become co-opted Members of the Pensions Committee, representing each of the Scheme Member, Employer and Pensioner Groupings.

**NOTED** those Members appointed to serve on the Pensions Panel.

**AGREED:-**

- (1) that C Campbell be appointed as Chair of the Pensions Panel; and
- (2) that C Campbell, G Eals and A Redpath represent the Pensions Panel as the 3 co-opted Members on the Pensions Committee.

C Campbell assumed the position of Chair.

**4. PENSIONS PANEL CONSTITUTION**

There was submitted Report (circulated) dated 17 August 2012 (a) referring to the revised governance arrangements around the Falkirk Council Pension Fund, and (b) attaching as an appendix to the Report a copy of the draft Constitution for the Pensions Panel.

**NOTED** the draft constitution of the Pension Panel and **AGREED** it be referred to the Pensions Committee for approval.

**5. FALKIRK COUNCIL PENSION FUND – TRAINING ARRANGEMENTS**

There was submitted Report (circulated) dated 20 August 2012 by the Chief Finance Officer outlining the training arrangements that will be made available to assist the Members of the Pensions Panel attain the level of skill and knowledge that is commensurate with their role.

**NOTED.**

**6. LOCAL GOVERNMENT PENSION SCHEME REFORM IN ENGLAND AND WALES**

There was submitted Report (circulated) dated 9 August 2012 by the Chief Finance Officer presenting an update about proposed reform of the Local Government Pension Scheme (LGPS) in England and Wales and of the possible impact some of the element of it may have in Scotland.

**NOTED.**

**7. PENSION FUND – GENERAL GOVERNANCE MATTERS**

There was submitted Report (circulated) dated 10 August 2012 by the Chief Finance Officer presenting an update on various matters associated with the business of Falkirk Council Pension Fund.

Areas covered by the Report included the following:-

- Auto Enrolment
- Police and Fire Reform

- Infrastructure Investment
- Administration Update
- Local Authority Pension Fund Forum (LAPFF)
- Corporate Governance Update
- Annual Pension and Investment Conference 2013

**NOTED.**

**8. FALKIRK COUNCIL PENSION FUND – UNAUDITED ANNUAL REPORT AND ACCOUNTS 2011/12**

There was submitted Report (circulated) dated 9 August 2012 by the Chief Finance Officer (a) referring to Regulation 31A of the Local Government Pension Scheme (Administration)(Scotland) Regulations 2008, which requires administering authorities to publish a pension fund annual report, recognising that pension fund accounts are separate from other accounts of the administering authority, and (b) attaching as an appendix for inspection, a copy of the Fund's Unaudited Annual Report and Accounts for 2011/12.

**NOTED** the publication of the Unaudited Falkirk Council Pension Fund Annual Report and Accounts 2011/12.

**9. EXCLUSION OF PUBLIC**

**RESOLVED** in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude from the meeting the press and public for the following items of business on the ground that they would involve the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 7A of the said Act.

**10. FALKIRK COUNCIL PENSION FUND – UPDATED STATEMENT OF INVESTMENT PRINCIPLES**

There was submitted Report (circulated) dated 10 August 2012 by the Chief Finance Officer referring to recent amendments made to the Statement of Investment Principles, a copy of which was attached as an appendix to the Report.

**NOTED** that:-

- (1) the Statement of Investment Principles has been updated to report changes in investment policy; and
- (2) subject to Pensions Committee approval, the Statement will be published on the Council's website and fund employers, union contacts and Fund managers notified of this.

**11. FUND MANAGER REVIEW AND PERFORMANCE MEASUREMENT**

There was submitted Report (circulated) dated 22 August 2012 by the Chief Finance Officer reviewing the overall performance of the fund and of the undnoted fund managers:-

- Aberdeen Asset Management
- Baillie Gifford Bonds
- Baillie Gifford Diversified Growth
- Legal and General
- Newton Investment Management
- Schroder Investment Management

**NOTED** the:-

- (1) Managers' performance for period ending 30 June 2012; and
- (2) Action taken by Managers during the quarter to 30 June 2012 in accordance with the investment policies.

**AGREED**, subject to the approval of the Pensions Committee, to request the Chief Finance Officer to investigate the possibility of Schroder UK Equity Mandate being extended to include a small constrained overseas dimension.

## 12. PRIVATE EQUITY AND CREDIT MARKETS UPDATE

There was submitted report (circulated) dated 9 August 2012 by the Chief Finance Officer (a) advising that the Fund's strategic allocation to private equity is set at 5% of total funds assets and is managed by SL Capital Partners and Wilshire Associates; (b) informing that a further 5% is allocated to the infrastructure mandate and managed by Credit Suisse; (c) updating on the progress and events arising from each Managers Investment Programme for the quarter ending 30 June 2012, and (d) detailing the progress of the Fund's Investment in the M & G UK Companies Financing Fund.

**NOTED** the progress of the Private Equity, Infrastructure and Credit Markets Programmes as at 30 June 2012.

## 13. PRESENTATION BY SCHRODER INVESTMENT MANAGERS

The Chair introduced Ms Sep Nadimi and Mr Nick Kirrage from Schroder Investments.

The presentation covered the following areas:-

- Performance Summary to 30 June 2012
- Schroders approach to investment
- Investment process
- Sector Valuations
- Mandate Overview
- Investment Activity

The Chair thanked Ms Nadimi and Mr Kirrage for their presentation.