

FALKIRK COUNCIL

**MINUTE OF MEETING OF THE PENSIONS PANEL
THURSDAY 21 FEBRUARY 2013
MUNICIPAL BUILDINGS, FALKIRK**

ATTENDING: **Officers – Falkirk Council**

*B Smail – Chief Finance Officer
A McGirr – Resources Manager
D Kelly, Senior Committee Services Officer*

Organisations

*Councillor C Campbell, Stirling Council – Chair
A Douglas, Unison
Councillor A Drummond, Clackmannanshire Council
J Ford, SEPA
M Keggan, Unison
G Laidlaw, Scottish Autism
S MacKay, Clackmannanshire Council
J McAuley, Falkirk Council
I McLean, Pensioner Representative
A Redpath, Pensioner Representative
A Stewart, Forth Valley College*

Attending

B Miller, Investment Manager, Lothian Pension Fund

1. APOLOGIES

Apologies were received from Councillor Dr C R Martin, G Eals, E Morrison and W Watson.

2. DECLARATIONS OF INTEREST

No declarations were made.

3. MINUTES

- (a) The Minute of Meeting of the Pensions Panel held on 22 November 2012 was submitted and **APPROVED**, and
- (b) The Minute of Meeting of the Pensions Committee held on 6 December 2012 was submitted and **NOTED**

4. ALTERATION OF ORDER OF BUSINESS

The Chair received the agreement of the Meeting to alter the Order of Business from that set out in the calling notice. The minutes, as follow, reflect the Order of Business as taken at the meeting.

5. FUND MANAGER REVIEW

Presentation by Schroders Property.

Claire Watson, Graeme Rutter and Anthony Doheaty gave a presentation covering the following areas:-

- Mandate Overview
- UK Market Overview
- Portfolio Review:-
 - Performance
 - Fund Activity
 - Strategy
 - Continental Europe

The Chair thanked Ms Watson and Mr Rutter and Docherty for their informative presentation.

6. SCHRODERS PROPERTY MANDATE – UNDER PERFORMANCE

With reference to the Minute of Meeting of the Pensions Panel held on 22 November 2012 (Paragraph number 11 refers) there was submitted Report (circulated) dated 8 February 2013 by the Chief Finance Officer outlining the issues in relation to the under performance of the Schroders Property Mandate.

NOTED contents of the report and the engagement that had taken place.

AGREED to recommend to the Pensions Committee that the current mandate with Schroders be continued however that they be advised of the intention to closely monitor their performance over the next 12 months against their benchmark.

7. PENSION FUND – GENERAL GOVERNANCE MATTERS

There was submitted Report (circulated) dated 6 February 2013 by the Chief Finance Officer presenting an update on the undernoted matters associated with the business of Falkirk Council Pension Fund.

Areas covered by the report:-

- Auto Enrolment

- LGPS Regulations Made
- Single Tier State Pension
- Price Indexation
- Councillors Pensions
- Pensions Fund Website
- Local Authority Pension Fund Forum
- Partners Pensions

Discussion took place on the issue of ethical investment.

NOTED the report.

8. PENSIONS REFORM

There was submitted Report (circulated) dated 8 February 2013 by the Chief Finance Officer presenting an update on the latest developments in the pension reform process, in particular examining the Public Service Pensions Bill, and, progress on LGSPS Reform Negotiations in Scotland.

NOTED the developments in Pension Reform.

9. FUND MANAGER REVIEW

Presentation by Aberdeen Assets Management.

Julie Pine and Ella-Kara Brown of Aberdeen Asset Management gave a presentation covering the following areas:-

- Portfolio Review
- Portfolio Activity over the past 12 months
- Market Outlook

The Chair thanked Ms Pine and Ms Brown for their informative presentation.

10. FUND MANAGER PERFORMANCE REVIEW

There was submitted Report (circulated) dated 11 February 2013 by the Chief Finance Officer reviewing the overall performance of the fund and of the undernoted fund Managers:-

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

NOTED the performance and actions taken by the Managers in accordance with the investment policies ending 31 December 2012.

11. PRIVATE EQUITY AND ALTERNATIVES UPDATE

There was submitted Report (circulated) dated 12 February 2013 by the Chief Finance Officer updating on the progress and events arising from the Investments Programme of SL Capital, Wilshire Associates, Credit Suisse and M&G for the quarter ending 31 December 2012.

NOTED the progress of the Private Equity and Alternative Programmes as at 31 December 2012.