

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is a shield divided into four quadrants. The top-left quadrant shows a city skyline with a bridge. The top-right quadrant shows a stag's head with antlers. The bottom-left quadrant shows a sailing ship on the water. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. Below the shield is a banner with the motto "A NE FOR A".

Agenda Item

3

Minute

Draft

FALKIRK COUNCIL

Minute of Joint Meeting of the Pensions Committee/Board held in the Municipal Buildings, Falkirk on Thursday 23 August 2018 at 9.30 a.m.

Present:

Committee:-

Councillors Falkirk Council:-

Jim Blackwood

Provost William Buchanan

Niall Coleman

Adanna McCue (Convener)

John Patrick

Pat Reid

Andy Douglas, Unison

Ian McLean, Pensioner Representative

Board:-

Susan Crook, Unison

Sandy Harrower, UCATT

Simon Hunt, Scottish Autism

Ed Morrison, SCRA

Tommy Murphy, GMB

Jennifer Welsh, SEPA

Attending:

Alastair McGirr, Pensions Manager

Brian Pirie, Democratic Services Manager

Bryan Smail, Chief Finance Officer

**Also in
Attendance:**

William Marshall, Hymans Robertson

Bruce Miller, Lothian Pension Fund

PE15. Apologies

There were no apologies.

PE16. Declarations of Interest

There were no declarations.

PE17. Minute

Decision

The minute of the joint meeting of the Pensions Committee and Board held on 21 June 2018 was approved.

PE18. Local Government Pension Scheme – Consultation of Scheme Structure

The Committee and Board considered a report by the Director of Corporate and Housing Services advising of a consultation exercise on the structure of the Local Government Pension Scheme in Scotland.

The Scottish Local Government Pension Scheme (SLGPS) was the largest pension scheme in Scotland, with around 400,000 members and combined assets of £42bn and liabilities of £55bn. It was administered by 11 separate authorities including Strathclyde, which was the largest, and Falkirk Council.

The Cabinet Secretary had requested that the Scheme Advisory Board undertake a structural review of the pension scheme. A consultation document had been published in June 2018. The deadline for responses was 7 December 2018. Responses would be collected by the Pensions Institute and reported to the Scottish Government with a final decision expected mid to late 2019.

The consultation document identified four options for consideration:-

- Retain the current structure of 11 Scottish LGPS Funds
- Promote greater co-operation in administration and investing between the 11 Funds
- Pool investments between the 11 Funds
- Merge the 11 Funds into one or more new Funds

The report set out the advantages and disadvantages of each option and set out a proposal mechanism to manage the Committee's response. It was proposed that a group, consisting of Committee and Board members, be established to prepare a draft response for committee approval. It was open for the Board to make its own submission. The group would be supported by officers.

The meeting adjourned at 10.00 am to allow Board representatives to consider whether the Board would participate in the proposal group or to make its own submission, and reconvened at 10.25 am. The Board members confirmed participation in the group.

Following decision it was agreed that the group would comprise 3 committee members and 2 board members. Officers would provide advice to the group.

Decision

The Committee and Board agreed:-

- (1) to establish a working group comprising 3 members of the committee (Councillor Blackwood, Councillor McCue and Andy Douglas) and 2 Board members (Susan Crook and Jennifer Welsh), and**
- (2) to request the Chief Finance Officers to formulate initial draft responses to the consultation question.**

PE19. General Governance Matters

The Committee and Board considered a report by the Director of Corporate and Housing Services which provided an update on miscellaneous matters associated with the business of the Falkirk Council Pension Fund.

Alastair McGirr advised that the sale of shares in Bank Hapoalim had been completed. In response to enquiries from the press and in order to correct information that had appeared on certain websites, Falkirk Council had issued a press release on behalf of the Fund to make clear that the decision to sell had been made by the fund manager in line with the manager's discretionary mandate. It was noted that there had been a number of requests from the public and from a Trades Union for the Fund to divest from Bank Hapoalim but that the manager had acted autonomously in reaching his decision to sell.

Decision

The Committee and Board noted the report.