

The background of the slide features the official coat of arms of the City of Vancouver. It is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on the water. The top-right quadrant depicts a stag's head with antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant features a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 3

Minute

Draft

FALKIRK COUNCIL

Minute of Joint Meeting of the Pensions Committee and Board held in the Municipal Buildings, Falkirk on Thursday 26 September 2019 at 9.30 a.m.

Present:

Committee:-

Councillors Falkirk Council:-

Jim Blackwood

Niall Coleman

Pat Reid

Councillor Donald Balsillie, Clackmannanshire Council

Andy Douglas, Unison

Douglas Macnaughtan, Pensioner Representative

Board:-

Simon Hunt, Scottish Autism

Tommy Murphy, GMB

Jennifer Welsh, SEPA

Attending:

Justyna Korszen-Bennett, Senior Accountant

Alastair McGirr, Pensions Manager

Bryan Smail, Chief Finance Officer

Antonia Sobieraj, Committee Services Officer

**Also in
Attendance:**

Albert Chen, Lothian Pension Fund

Scott Jamieson, Independent Advisor to the Pension Fund

Alan McDougall, PIRC

Olga Potapova, Ernst & Young

PE14. Convenership of Meeting

The Clerk presided at the start of the meeting in the absence of the Convener and invited a member of the Committee to take the Chair for the duration of the meeting. Councillor Jim Blackwood, Falkirk Council thereafter took the Chair with the consent of members present.

PE15. Apologies

Apologies were intimated on behalf of Provost Buchanan; Councillors McCue and Patrick; Susan Crook, Unison and Sandy Harrower, Unite.

PE16. Declarations of Interest

There were no declarations.

PE17. Minute

Decision

The minute of the joint meeting of the Pension Committee and Board held on 27 June 2019 was approved.

PE18. Pensions Committee Appointment

The Committee and Board considered a report by the Director of Corporate and Housing Services advising that the vacancy for Pensioner Representative on the Committee had been filled.

Decision

The Committee and Board noted that Mr Douglas Macnaughtan had been appointed as Pensioner Representative on the Committee.

PE19. Annual Audit Report 2018/19

The Committee and Board considered a report by the Director of Corporate and Housing Services providing details on the Internal Audit Report of the Pension Fund by Ernst and Young, Fund External auditors.

Decision

The Committee and Board noted:-

- (1) the Annual Audit Report for 2018/19 as detailed in Appendix 1 to the report); and**
- (2) the intended unqualified audit opinion as detailed in the report); and**

The Committee agreed:-

- (1) the letter of representation addressed to Ernst and Young, Fund External Auditors from the Chief Finance Officer and Convener of the Committee as detailed in Appendix 2 to the report; and**
- (2) the response to the Ernst and Young letter dated 7 May 2019 addressed to the Pensions Committee as detailed in Appendix 4 to the report.**

PE20. Audited Pension Fund Annual Report and Accounts 2018/19

The Committee and Board considered a report by the Director of Corporate and Housing Services detailing the Audited Pension Fund Annual Report and Accounts for 2018/19.

Decision

The Committee and Board noted the Audited Pension Fund Annual Report and Accounts 2018/19; and

The Committee approved for signing the Audited Pension Fund Annual Report and Accounts 2018/19 and their publication on the Fund website.

PE21. General Governance Matters

The Committee and Board considered a report by the Director of Corporate and Housing Services providing an update on a number of miscellaneous matters associated with the business of the Falkirk Council Pension Fund, including:-

- review of scheme structure;
- administration issues;
- guaranteed minimum pension reconciliation;
- corporate governance issues;
- institutional Investors Group on Climate Change/ Climate Action 100+;
- voting; and
- training matters.

Decision

The Committee and Board noted the report.

The Committee agreed to the issuing of an open letter to the EU European Council in line with the Fund's membership of the Institutional Investors Group on Climate Change (IIGCC).

PE22. PIRC Shareowner Voting Guidelines 2019

The Committee and Board considered a report by the Director of Corporate and Housing Services advising of the key principles adopted by the Pensions and Investment Research Company Ltd ("PIRC") when voting shares on behalf of the Fund.

A copy of PIRC's Shareowner Voting Guidelines 2019 was attached as an Appendix to the report.

Alan MacDougall, PIRC gave a short presentation including information as undernoted:-

- what was asked of companies;
- key principles;
- new areas of emphasis;
- the PIRC submission to the FRC;
- watching the outsourcers;
- auditor accountability;
- research engagement advice voting; and
- employee representation.

Decision

The Committee and Board noted the information detailed in the presentation and report.

PE23. Market Review and Fund Manager Performance

The Committee and Board considered a report by the Director of Corporate and Housing Services providing an update on recent investment market developments; the Fund's strategic allocation and performance; and on the monitoring activity of the Fund's investment mandates during the most recently completed quarter.

Decision

The Committee and Board noted:-

- (1) the recent investment market developments;**
- (2) the Fund's strategic allocation;**
- (3) the Fund's performance for the period ending 30 June 2019; and**
- (4) the investment monitoring activity of the Joint Investment Strategy Panel (JISP).**

PE24. Exclusion of Public

Agreed in terms of section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting 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 to the said Act.

PE25. Commentary on Fund Manager Performance

The Committee and Board considered a report by the Director of Corporate and Housing Services reviewing the overall performance of the Fund, the individual manager mandates, including current developments and issues identified through the wider monitoring process for the period to 30 June 2019.

Decision

The Committee and Board noted the report and associated Appendix.

PE26. Joint Investment Strategy Panel Update

The Committee and Board considered a report by the Director of Corporate and Housing Services summarising the key matters discussed at the meeting of the Joint Investment Strategy Panel (JISP) on 10 September 2019.

Decision

The Committee and Board noted the report.