

FALKIRK COUNCIL

Subject: REFERRAL FROM INVESTMENT COMMITTEE 16 JUNE 2011
Meeting: FALKIRK COUNCIL
Date: 22 June 2011
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 The Investment Committee is required to implement new statutory Guidance relating to corporate governance arrangements for involving stakeholders e.g. representation of employers and employees in Pension Fund decision-making. A Compliance Statement relative to the Guidance is required to be produced and this will be subject to external audit review.

2. WAY FORWARD

- 2.1 The Investment Committee at its meeting on 16 June considered a framework for engagement with its stakeholders. Following discussions the Committee agreed to recommend to Falkirk Council the proposed way forward as set out at paragraphs 4.2 and 4.3 of the report subject to the following revisions within paragraph 4.2:-

- a) Lay members on the Investment Committee would be increased from two to three to accommodate a pensioner representative
- b) All lay members on the Investment Committee would have full voting rights on that Committee
- c) In order to facilitate the proposed increase in Lay Members on the Investment Committee from 2 to 3, the number of Falkirk Council Members on the Committee, in terms of Section 57 of the Local Government (Scotland) Act 1973, would require to be increased from its current total of 6 to 9, as Lay Members are only permitted to comprise one third of the total number of places on the Committee. In such circumstances, the principles of political proportionality would be applied.

- 2.2 The outcome of the stakeholder consultation and the Investment Committee's proposed course of action in the light of this will be reported to Council in December.

3. RECOMMENDATIONS

- 3.1 Council is invited to endorse the proposed way forward as set out at section 2 above.

Acting Chief Finance Officer

Date: 16 June 2011

Contact Officer: Bryan Smail

LIST OF BACKGROUND PAPERS

NIL

