

June 2016

## **BULLETIN**

### **Structure Review**

The SAB considered a scoping paper for the structural review of LGPS pension funds in Scotland. The paper set out the background to the review and the previous reports that have looked at the options for merging or sharing services between the eleven funds. The paper also updated the SAB on the pooling of investment funds in England and Wales.

It was agreed to establish a working group to take forward the review with the aim of producing an options report by December 2016.

### **Fiduciary Duty**

The SAB considered covering guidance to the legal opinion commissioned on the issue of fiduciary duty on SLGPS funds. The trade union side believes the tone of the opinion is too negative and further work will be undertaken to reflect these concerns in the covering guidance.

### **Cessation Valuations**

The SPPA has undertaken a data collection exercise to establish the scale of potential risks arising from admission bodies that have no guarantor. It was agreed to recommend that amendments to Regulation 62(2) and 62(5) of the LGPS (Scotland) Regulations should be considered by Scottish Government and agreed the key points to be included in a good practice guidance from the SAB.

### **Scheme Governance**

When the new governance arrangements were introduced it was agreed that there would be a review after two years. The SPPA has started the process for a review of scheme governance arrangements across all public sector pension schemes in Scotland. This will include an independent reviewer and consultation with all the stakeholders. The review will report in February 2017.

### **People**

Harry Frew from UCATT was the SAB Vice-Chair and he will be standing down following his retirement later this month. Jane O'Donnell is moving to a new role in COSLA and Hayley Wotherspoon and Jonathan Sharma will take over as Employers Side Secretary. The SAB thanked Harry and Jane for their contribution to the new board's work.

Willie McGonigle from Unite was elected as the new Chair of the SAB. In the recent Cabinet appointments, Derek McKay MSP is the new pensions minister.

### **SAB Website**

The new SAB website (<http://lgpsab.scot>) to improve communications with stakeholders is now operating.