**Scottish Local Government Pension Scheme Advisory Board**

**Board Meeting**

**24 June 2020 (by video-conference)**

**MINUTES**

**Membership**

Frank Anderson has replaced Richard Thompson as an employer representative.

**Apologies**

Frank Anderson, Wendy Dunsmore, Davena Rankin, Brian Strathie

**Present**

Annette Drylie, Jim Goodfellow (Vice-Chair), Simon Mountford, Alasdair Rankin, Brian Robertson (for part), Lynne Robertson, Stephen Smellie, Andy Thompson (Chair), Simon Watson (Joint Secretary)

**In attendance**

Brian Smail (Directors of Finance), Laura Colliss (LGPS Funds),Richard McIndoo (LGPS Funds), Bruce Miller (LGPS Funds), Tracey Russell (LGPS Funds), Catherine McFadden (Actuary), Iain Coltman (SPPA), Kimberley Linge (SPPA), Stephen Moseley (LGA), Lorraine Bennett (LGA), Michael Rae (GAD), Jenny Bullen (GAD), Jonathan Sharma (COSLA - Joint Secretary)

1. **Welcome and Apologies**

It was AGREED to send a message of thanks to Kathy Cameron following her retirement as Joint-Secretary.

1. **Offer of resource support to SAB**

With the increased divergence of the LGPS in Scotland from the LGPS elsewhere, administering authorities and SPPA have agreed some additional resources to support it. This will support the SPPA on consultations, regulatory changes, and statutory guidance, and administering authorities have been surveyed to identify their priorities. In addition, there may be some capacity to support the SAB in its work, especially where this was an extension of existing work (for example website administration, production of annual report, some training). The SAB was also briefed on work being carried out by it’s counterpart in England and Wales, including on good governance, responsible investment, cessation issues and cost transparency.

It was AGREED that the joint secretaries should come forward with proposals to the SAB.

1. **Conflict of Interest Declarations**

There were none

1. **Minute of Last Meeting and Matters Arising**

The Minute of the last meeting was AGREED as an accurate record.

It was AGREED to re-run the election for board advisors to the SAB with a set closing date.

1. **Addressing Age Discrimination in LGPS**

A presentation on the draft proposals to address age discrimination on the LGPS was RECEIVED. There have been cross-UK discussions with MHCLG, the Northern Ireland scheme, and GAD, however Scottish ministers ultimately have the right to take a different approach to that of Westminster.

The aim is to address the issues raised in the McCloud and Sargeant cases and remove any current and future discrimination in the scheme; ensure the current statutory underpin is consistent and effective, and minimise complexity for administrators and members.

A public consultation is expected during the summer, and later in the year final proposals, draft regulations, and equality impact assessment and an “easy-to-follow" guide are planned.

1. **Financial Report**

The SAB RECEIVED a verbal financial report, and noted the commitments to fund the Cost Transparency Compliance and Validation System and a cost / benefit analysis of scheme structural change. The SAB AGREED that a paper would be brought back to clarify the SAB’s role in oversight of this work and how this could be put to good use It AGREED to issue the levy for 2020/21.

1. **Letter from Ben Macpherson MSP**

The SAB RECEIVED the letter from the Minister for Public Finance and Migration and welcomed his keenness to engage with the SAB. It discussed the four points raised in the letter - Structure Review, Infrastructure, Cessation and the Third Sector, and 2020 Fund Valuation. The SAB AGREED to write to funds to submit outline views on infrastructure investment, and that the Chair would reply to the Minister by the end of July with support from the vice-chair and joint secretaries.

1. **Structure Review**

THE SAB discussed the proposals to take the structure review forwards, and AGREED the paper with the amended the action points as:

* 1. The joint secretaries prioritise work to undertake the previously agreed procurement process for a piece of work to identify costs, benefits, governance and stages comparing different potential structures of LGPS funds in Scotland. This would be done in comparison with the existing structure.
	2. An additional SAB meeting be convened before the end of September to approve the procurement plan and make any decisions to complete this work fully.

It notes that it had previously decided that the joint secretaries would write to the Scottish Government prior to going out to formal tender on the piece of work.

1. **SPPA update**

The report was RECEIVED, and it was noted that the UK government was expected to make an announcement on the Cost Cap in the near future.

1. **Scheme Advisory Board Work Plan**

The report was RECEIVED. The Cessation Issues working group (comprising representatives from Strathclyde and Lothian funds, Spence and Spence, Robertson Trust and ICAS) reported that it had met 3 times and would provide a written report for the September SAB meeting on guidance on cessation issues.

The SAB AGREED to update completion dates on items 2, 3, 4 and 7.

1. **AOB**

**Boards recovery plans –** The SAB AGREED to write to boards to ask for their plans to continue operating under the restrictions due to the pandemic.

**Training** – An offer to SAB members to attend Pension funds training was noted, and it was AGREED that the joint secretaries should seek more information and submit training proposals to the SAB.

**Future meeting dates:**

* Wednesday 16 September 2020.
* Wednesday 28 October 2020.