

**Scottish Local Government Pension Scheme Advisory Board
Board Meeting**

28th October 2020 (by video-conference)

MINUTES

Present

Jim Goodfellow (Chair), Andy Thompson (Vice Chair), Simon Mountford, Brian Robertson, Simon Watson (Joint Secretary), Lynne Robertson, David Parker, Annette Drylie, Davina Rankin

In attendance

Bryan Smail (Directors of Finance), Bruce Miller (LGPS Funds), Richard Mcindoe (LGPS Funds), Iain Coltman (SPPA), Jonathan Sharma (COSLA - Joint Secretary)

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and apologies were noted.

Apologies were noted from Frank Anderson, Brian Strathie, Lynne Robertson, Stephen Smellie, Wendy Dunsmore, Alasdair Rankin.

2. Conflict of Interest Declarations

None noted.

3. Minute of Last Meeting and Matters Arising

The Minute was AGREED as an accurate record.
It was NOTED that Matters Arising are on the Agenda

4. Structure Review Procurement Process

Hugh Carr, Head of Strategic Procurement, Scotland Excel, joined the meeting to talk about how they can assist with the procurement process. Hugh gave an overview of SE's role and that there is a choice for the SAB to make should they wish to utilise SE's services, to either receive soft advice and for SAB to make its own procurement arrangements, or to commission SE to undertake the procurement, which would come at a cost. In discussion the SAB noted there are choices around approaching the market which could be by specific tender or via a national framework. It was also noted that cost would likely exceed the available funding by some margin and that there would be a need to consider how this could be funded.

The SAB thanked Hugh for his very helpful talk and agreed the following actions:

1. The proposed specification for the review to be issued to all local government pension funds in Scotland, plus the Trades Unions, as soon as practicable, giving them a month to make comment on the specification.

2. At the same time, the 11 Funds will receive an update explaining that the costs of the work proposed are likely to be greater than budget the SAB currently has. Therefore, there will be a need for discussion with Funds about the likely increased costs as the tender process for the structural review works evolves.
3. SAB will next meet on 10th December.
4. SAB will receive a report from the joint Secretaries providing feedback on the consultation with Funds and Trades Unions and allowing SAB to reflect on whether there is any need to amend the current specification for the structural review work.
5. Between now and the December meeting, joint Secretaries will work with Scotland Excel to agree a proposed procurement process, draft specification, timescale for the procurement and the potential costs of carrying out the procurement to contract award.
6. Joint secretaries will bring back the work highlighted at 5 for SAB's consideration and approval at the 10th of December meeting.

5. Actions from 16th September Meeting

The SAB were updated on progress on actions from the last meeting. The SAB noted that:

i. Offer of Resource Support to SAB

Areas of support suggested at the September SAB covering 2019/20 Annual Report and SAB website were informally agreed and the joint secretaries will now confirm this in writing to SPPA.

ii. SAB Advisers

The SAB noted that a request for Advisers to provide one pagers on how they contribute to the SAB's work is still to be actioned. The joint secretaries to action this.

iii. Cost Transparency

The SAB noted that the joint secretaries had written out to funds requesting feedback on issues arising with the Transparency system and that these would be shared with the LGA and the portal providers.

iv. Cessation

The SAB noted that the joint secretaries have written to the Working Group regarding employee concerns. An offer of discussion has been made and the outcome will be brought back to the December SAB.

v. Infrastructure Investment

The SAB noted that the joint secretaries have replied to the Finance Minister, Ben Macpherson, sharing feedback from the funds on approaches to infrastructure investment.

vi. Training

As noted above the Advisors to provide one pagers on their support to the SAB.

vii. Climate Forum

Ahead of the next UK Pensions Bill, the English SAB is inviting Scottish SAB members interested to join a Climate Forum. The joint secretaries will reply to them.

6. Addressing Age Discrimination in LGPS

The SAB considered a draft response prepared by the joint secretaries with the assistance of advisers.

The SAB agreed the response, with a minor correction to replace £355 with £355m; and noted that SPPA would give more information behind the calculation of the £355m.

7. Financial Report

The SAB noted the current financial position had not changed from the September meeting, that there is £155,246 available which includes the 2020/21 levy.

8. SPPA Update

SPPA provided an update on recent consultations and regulations changes. The SAB noted the update and commented that there are significant risks and financial implications of the cost cap. SPPA has made representation to bring forward cost cap quicker, however this is caught up with HM Treasury timing.

9. SAB Workplan – Review of Activities

The Workplan was noted.

10. AOB

Letter from SPPA (circulated)

The SAB received a letter from SPPA regarding relations between funds. The SAB noted the contents of the letter.

It was further noted that Bryan Smal will withdraw from his role as SAB Director of Finance adviser and will be replaced by another Director of Finance to be confirmed.

£95k cap

A concern was raised regarding clarification that the £95k cap should not apply to the Scottish LGPS. The SAB noted that the Scottish Government and SPPA have stated that this is their view on cap.

In order to put minds at rest the SAB agreed that joint-secretaries consult with SPPA and issue a note on the SAB website regarding the applicability of the cap and that this does not apply to Local Authorities in Scotland.

Future Meeting Dates for Noting:

Thursday 10th December 2020 (pm)

Early Feb 2021 (joint secretaries to confirm).