

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

19th January 2021 (by video-conference)

MINUTES

Present

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

In attendance

Martin Booth (Directors of Finance), Bruce Miller (LGPS Funds), Richard Mcindoe (LGPS Funds), Catherine McFadyen (Hymans), Iain Coltman (SPPA), Jonathan Sharma (COSLA - Joint Secretary)

1. Welcome and Apologies

The Chair welcomed everyone to the meeting, which was noted as a special meeting to discuss structure review procurement.

Apologies were noted from Frank Anderson, Wendy Dunsmore, Alasdair Rankin, Davina Rankin, Brian Robertson.

2. Conflict of Interest Declarations

None noted.

3. Structure Review Procurement Process

The SAB considered a report on structure review procurement process and noted this was a follow up to an initial procurement proposal presented to the SAB in December, which had been revised from a previously proposed approach. The report presented more detail on a procurement proposal from Scot Excel which included recommendations on taking the alternative procurement approach forward, as initially outlined in December. Hugh Carr from Scotland Excel presented the proposal.

The SAB welcomed report and noted points around the timescale, interview panel and ensuring that the work undertaken by the specialist picks up learning experience elsewhere.

During discussion it was highlighted that the work is to review all four options and not just merger. It was therefore agreed that the draft specification should be slightly re-written to reflect the other 3 options not just focussing on evaluating merger. It was also agreed the draft spec should remove the reference to infrastructure, the SAB having already written to Ministers on this issue.

It was agreed that the specification should be amended to remove the section on infrastructure investment, and to ensure that all the listed options were fully and equally considered (bottom of page 2).

It was noted that the second phase of work which could include engagement of external consultancy would add cost, however an element has been factored into the proposal for this. With regard to the charge for engaging Scotland Excel it was noted that this should not include VAT as the work is hosted by Scotland Excel on behalf of Local Government.

The SAB thanked Hugh for his extremely helpful presentation and considered the recommendations of the report in private. In conclusion the SAB agreed to all 4 recommendations in the report, these being:

1. Agree to the budget proposed for this piece of work.
2. Agree to the proposals outlined in the documents to take this piece of work forward.
3. Instruct the joint secretaries to progress this work in conjunction with Scotland Excel.
4. Instruct the joint secretaries to report progress to each SAB meeting.

4. AOB

The SAB discussed appointments to the panel for interviewing for the specialist role for the structure review procurement. Initially this could be the Chair + 1 person from the Employers and Employees sides respectively. The joint Secretaries would act as observers. Further consideration would however be given to the make-up of the panel.

Post meeting note: it was further proposed that 2 members from the employers and employees sides would form the panel along with a representative from Scotland Excel.

A question was raised with regard to the status of GAD's work on the Cost Cap. SPPA advised that indicative results were anticipated to be available for early February. GAD will attend the next Board meeting to present on the results. It was noted that actuarial advisors have approached SG for advice and that a training session for SAB Members was to be arranged with Catherine McFadyen, actuarial advisor to the SAB.

Future Meeting Dates for Noting:

Wednesday 17th February 2021

Wednesday 19th May 2021

Wednesday 22nd September 2021

Wednesday 24th November 2021