

May 2021

BULLETIN

Structures Review

Pat Tomlin, the newly appointed Project Manager, presented a proposal on governance of the project to produce business cases for future options for fund structures, and this was approved. The SAB appointed a project sponsor, from the SAB, to assist Pat in a purely functional capacity, with no impact on the outcome. In addition there will be a sub-group which will oversee the day-to-day running of the project, and a working group of experts to provide technical input.

Pat will be seeking input from a wide range of stakeholders and experts for the project, and the SAB would encourage everyone to give her as much support as possible in the major undertaking.

Cessation issues

SAB members received a briefing on a set of recommendations that might give more flexibility to funds when dealing with employers wishing to leave the LGPS. The SAB discussed these further and has asked the working group to consult with funds to ensure all the recommendations are pragmatic.

Cost Cap

A consultation on the cost cap mechanism from HM Treasury is expected later in the year, and the SAB expressed a willingness to explore the mechanism used in England and Wales which can be used to pre-emptive changes and avoid a cost cap breach. It agreed to write to the SPPA regarding this. It also noted a proposal to revise the nominal target rate for employer contributions that the cost cap valuation uses, and that it might need to meet to consider a view on any proposals to change this.

Improving communications

The SAB discussed developing closer relations with local LGPS boards, and agreed to invite the chairs of up to two local boards to observe at each meeting. It also agreed the annual report which will now be available on webpages as well as a pdf document.

Further details on our website www.lgpsab.scot.