

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

**22<sup>nd</sup> September 2021 (by video-conference)**

**MINUTES**

**Present**

Jim Goodfellow, Simon Mountford, Brian Robertson (Chair), Simon Watson, Davina Rankin, Brian Strathie, Stephen Smellie, Cameron Rose, Wendy Dunsmore

**In attendance**

Martin Booth (Directors of Finance), Bruce Miller (LGPS Funds), Laura Collis (LGPS Funds), Catherine McFadyen (Hymans), Iain Coltman (SPPA), Alan Wilkinson (SPPA), Kim Linge (SPPA), Jonathan Sharma (COSLA - Joint Secretary); Sarah Watters (COSLA); Pat Tomlin, Structure Review Project Manager.

**1. Welcome and Apologies**

The Chair welcomed everyone to the meeting and apologies were noted from David Parker (Vice Chair), Lynne Robertson, Andy Thompson and Annette Drylie.

Sarah Watters, COSLA Director of Membership and Resources was introduced as an observer. It was noted that Sarah will take on the role of COSLA adviser to the SAB going forward.

David Marsh (Shetland PF) and Simon Hunt (Falkirk PF) joined the meeting as Pension Board Observers and were welcomed.

**2. Conflict of Interest Declarations**

None noted.

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

The Minute of 14<sup>th</sup> May 2021 was AGREED as an accurate record. It was noted that an offer remains for a SAB Member to join the English and Welsh SAB Responsible Investment Advisory Group. This would be further considered under the SPPA update at item 5.

The Minute was AGREED as an accurate record for 18<sup>th</sup> August Special Meeting, with an amendment to reflect that Kim Linge (SPPA) was in attendance.

**4. Structure Review Project**

Pat Tomlin spoke to two papers on the Structure Review Project. The first paper provided an update on project progress, including the setting up of the technical review group, as now agreed by the structures Sub-Group. The second was to ask the SAB to approve the final overall purpose and principles.

Brian Strathie gave overview of progress and indicated that the first gap analysis group is meeting on 28 September and would expect to come back with a proposal for resourcing skillsets.

The SAB noted that substantial work has been done, including procurement of specialists; establishing the technical group and proposed work/ roles. Contacting stakeholders is ongoing and it was noted that there is a lot of goodwill, for example the English & Welsh SAB and pools. It was noted that the work to be done would be a desktop review process followed by a set of meeting, aiming conclude in mid-October (3-week exercise).

During discussion a number of points were noted/ clarified:

- That resources for ongoing work on the project will need to be clarified by the SAB in the near future.
- That the Principles in the second paper could be made sharper at principle 3 – full stop after “make it more affordable”; principle 6 - finish at “experience”. Additionally question marks should be removed so these are definitive principles.

## **5. SPPA Update**

SPPA provided an Update which covered the amending regulations for McCloud underpin and cessation flexibilities; cost cap including an amending regulation; and a remedy for teachers’ pension scheme members who were in the LGPS.

On teachers pensions a question was asked on the scale of this for Scotland and whether Pension funds have such members. SPPA agreed to clarify this, however it was felt to be a on a small scale in Scotland. Otherwise, the Update was noted.

The Update also asked the SAB to advise SPPA on climate risk reporting, this being an opportunity for the SAB to have an initial discussion about including this on its Workplan. It was noted that currently there are no requirements affecting the LGPS in Scotland though it is likely that there will be consultation on the LGPS in England & Wales.

During discussion questions were raised on the timescale for responding, that this would be over the coming months; the purpose of any regulations – these being primarily to provide guidance and a framework for measurement. Further consideration was given in item 6 below.

## **6. Responsible Investment on SAB Workplan**

The SAB gave further consideration specifically to including responsible investment/ climate reporting in its Workplan.

During discussion it was noted that Scottish Funds are doing work on this and that Scottish asset owners have been in dialogue with English & Welsh SAB officials. It was also noted that the Scottish Government is due to launch a sustainable taskforce which will be looking at such matters. It was noted that therefore that there is a need for the SAB to know what work is being done and to give this further consideration.

The SAB agreed that the joint secretaries would bring a paper on the way forward, alongside SPPA providing a policy paper for the November SAB.

The SAB also picked up the point under item 3 the Minutes that an offer is there for a SAB Member to join the English & Welsh Responsible Investment Advisory Group as an observer. Stephen Smellie agreed to ‘test drive’ being an observer, with Cameron Rose

and Wendy Dunsmore agreeing to act as subs. This would be conveyed by the joint secretaries to the E&W SAB secretary.

## **7. Putting SAB papers on the website**

The SAB was asked by the joint secretaries if it wished to put SAB papers up on its Website, as currently only a Bulletin and the Minutes are on the Website. The SAB noted there is no restriction in the ToR and the E&W SAB already puts its papers on its site, so this was more a question of when it is appropriate for them to be made public.

The SAB agreed that papers should be put up unless they are clearly marked private and confidential. It was noted that this does have a resource implication, which COSLA agreed to follow up.

## **8. Scheme Advisory Workplan – Review of Activities**

The SAB was updated on the Workplan which reflected the work areas being considered at this meeting. This included the discussion at item 6, which would be added as an item to the Workplan. with this the Workplan was noted.

## **9. Financial report**

The financial report was provided to clarify the funds available to the SAB, given the cost transparency costs to be met and the costs of the structure review project.

The SAB noted the position.

## **10. AOB**

No items of AOB have been notified at this point.

### Future Meeting Dates for Noting:

Wednesday 24<sup>th</sup> November 2021

It was agreed to bring back options on holding SAB meetings for discussion, with the joint secretaries to propose dates for 2022.