

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

23rd February 2022 (by video-conference)

MINUTES

Present

Simon Mountford, Brian Robertson (Chair), David Parker (Vice Chair), Simon Watson, Davena Rankin, Brian Strathie, Stephen Smellie, Lynne Robertson, Andy Thompson, Cameron Rose, Annette Drylie.

In attendance

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

1. Welcome and Apologies

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

2. Conflict of Interest Declarations

None noted.

3. Minute of Last Meeting and Matters Arising

The Minute of 24th November, with an amendment to note Annette Drylie did not attend, was AGREED as an accurate record. Matters arising are on the agenda.

4. Structure Review Project

Pat Tomlin presented a paper setting out the outcome of the gap analysis work which has been undertaken as agreed by the SAB. The SAB also considered a paper from the joint secretaries on taking forward the structure review project.

The SAB welcomed Pat's presentation and noted that this followed on from the partial gap analysis presented at the 24th November 2021 meeting. The substantial work undertaken by Pat and the Focus Group was noted and appreciated. The gap analysis paper was noted and received.

During discussion on the joint secretaries' paper, it was agreed that further consideration on the way forward would be needed and that a special meeting of the SAB be arranged for 17th March to discuss this further.

5. Climate Risk Reporting Working Group

The SAB received a presentation from Bruce Miller on behalf of the Climate Risk Working Group, which the SAB agreed to establish at the November 2021 meeting. The paper noted the UK regulatory landscape around climate risk reporting and provides clarification on how Scottish LGPS Funds are responding to, the Taskforce for Climate Related Financial Disclosures (TCFD). The paper concluded that the SAB writes to Funds to encourage TCFD style reporting on a voluntary basis and that the SAB further engages in this area for instance with the English & Welsh SAB. At this point the conclusion being that Scottish specific regulations should be re-visited as this area develops.

The SAB agreed to write to the Funds as recommended and for the joint secretaries to follow this up.

The SAB also noted that Stephen Smellie and Jonathan Sharma joined the E&W SABs Responsible Investment Advisory Group call on 5th January. It was noted that a fuller paper on the range of issues be brought back to the SAB in due course.

6. Cost Transparency Report

The SAB received a paper providing further update/ clarification on the cost transparency reporting system, which the SAB pays for on behalf of the Scottish LGPS Funds. The paper gave a flavour of the type of information available but noted that this is work in progress and more work is needed to improve accuracy.

The paper was noted.

7. SPPA Update

SPPA presented an update paper covering the draft amendments to Scottish LGPS Regs; discussion with E&W SAB and HM Treasury on cost cap; UK Pensions Bill and McCloud judgement; and Pensions dashboards. It was noted that there was a UKG consultation closing on 13th March and that the SAB may wish to respond to this.

During discussion SPPA requested that the SAB provides a steer on developing a Scottish cost control mechanism, similar to that developed by the E&W SAB.

The SAB therefore agreed to create a sub-group to look at a cost control mechanism and to give thought to membership, for confirmation at the next SAB meeting.

On Pensions Dashboard the SAB agreed that the joint secretaries should contact the Pension Funds to understand if there are any implications to feed into SPPA's response on the consultation.

8. Scheme Advisory Board Work Plan – Review of Activities

The SAB noted the updated Workplan. The reply from the Minister, Tom Arthur, on cost cap/ control was shared with the SAB recently.

9. SAB Financial Report

The Financial Report is presented as at February 2022 and was noted.

10. AOB

The SAB noted the forthcoming Scottish Local Government Election and that this would have a bearing on the Employers (COSLA) Membership. COSLA advisers would pick this up and provide further clarification.

Future Meeting Dates for Noting:

Wednesday 20th April (10.30am); Tuesday 28th June (10.30am); Wednesday 31st August (10.30am); 30th November (10.30am)

Special meeting Thursday 17th March