

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

**24<sup>th</sup> November 2021 (by video-conference)**

**MINUTES**

**Present**

Jim Goodfellow, Simon Mountford, Brian Robertson (Chair), David Parker (Vice Chair), Simon Watson, Davina Rankin, Brian Strathie, Stephen Smellie, Wendy Dunsmore, Lynne Robertson, Andy Thompson.

**In attendance**

Bruce Miller (LGPS Funds), Laura Collis (LGPS Funds), Iain Coltman (SPPA), Alan Wilkinson (SPPA), Kim Linge (SPPA), Victoria Antcliff (SPPA), Jonathan Sharma (COSLA - Joint Secretary); Pat Tomlin, Structure Review Project Manager.

**1. Welcome and Apologies**

The Chair welcomed everyone to the meeting and apologies were noted from Cameron Rose

Tony Caleary (Falkirk PF) joined the meeting as Pension Board Observer and was welcomed.

**2. Conflict of Interest Declarations**

None noted.

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

The Minute of 22<sup>nd</sup> September 2021 was AGREED as an accurate record. Matters arising are on the agenda.

**4. Structure Review Project**

Brian Strathie and Pat Tomlin presented an update on the structure review work. It was noted that this has progressed well since the September SAB. The SAB welcomed the Focus Group's commitment, focus and the work done and noted that independent advisers had added value.

It was noted that there is a need to get more trend information from Funds and that efforts would be made to do this without placing a burden on them. It was also noted that further work is required on gap analysis and identifying skillsets and that the conclusion of the baseline work and gap analysis would proceed in areas set out in the paper.

Other points noted were that work has been done to quality assure evidence already available and that this is a 10-year analysis going back the way.

The SAB discussed holding a special meeting in February, for a report to be brought back on the outcome of the gap analysis work. This would enable the SAB to determine what work is required for phase 2 of the project, together with identifying what is missing to help answer gaps. It was noted that resourcing of the ongoing review is likely to be a key topic for discussion as part of the report.

Rather than hold a separate meeting, it was agreed to extend the next SAB main meeting in February, with session on structure review.

It was further agreed to register comments from a SAB member that work, resource, timing of project is a concern and there needs to be closure of the overall project and whether value for money has been achieved.

Regarding timings of meetings, it was noted that the next meeting of the Sub-Group would be arranged for the first week in February and 23<sup>rd</sup> February would be a good date for the extended SAB. An issue was raised regarding continuity of SAB members after the Local Government Election, which would have a bearing on the COSLA representatives on the Employers side. The Employers Joint Secretary would therefore check the post-election arrangements for SAB Membership from COSLA as well as implications for Members regarding SAB meetings which may be held in March/ April.

In noting the paper, the SAB thanked Pat and Brian for their presentation.

#### **5. SPPA Update**

SPPA provided an Update which covered a consultation on draft amendments to pension regulations – these having been covered in previous SPPA updates. Updates were also provided on GAD's work on Cost Cap; climate risk reporting (linked to the policy paper at item 6); and McCloud Update on UK Pensions Bill.

The SAB noted the update and that the deadline for response to the Regulations consultation is 7<sup>th</sup> January (post meeting changed to 21<sup>st</sup> January).

It was noted judicial review may have implication for cost cap result.

It was agreed that the joint secretaries would check with advisers if there were any implications in the Regulations which SAB should respond to. *Post meeting – comments were received from advisers which were of a technical nature, and these were shared with SPPA on an informal basis (not a formal SAB response), as they were considered to be helpful to SPPA in drafting the Regulations.*

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

The SAB considered 2 papers, the first being a policy paper produced by SPPA looking for the SAB to advise on making TCFD reporting a regulatory requirement for LGPS Funds in Scotland. The SAB noted that Scottish Ministers appear to be keen to act soon given the profile of this area.

The second paper was provided by the joint secretaries and covered process and timescale for taking forward work on this area, including setting up a short life working group, to report early in the New Year.

The SAB noted concern for administrators in any regulatory scheme which would create a different set of reporting above the TCFD reporting already there. It was noted that there is a group, Scottish asset owners, which can provide expertise to support the SAB.

The SAB noted both papers and agreed a working group would make sense and that a further report could come back to the 23<sup>rd</sup> February SAB meeting (SPPA confirmed this was within their timescales).

The SAB agreed to have Employers and Employees side Members on the working group, these being – Stephen Smellie and Simon Mountford.

The joint secretaries would follow up with advisers on setting up/ papers to the working group. The SAB noted that Bruce Miller would be the lead adviser.

The SAB commented that SPPA is looking for advice to Ministers and that this is a new area of work for the SAB. It was therefore registered that there needs to be time given for the SAB to properly consider what advice it can give.

A point was made by Brian Strathie that para 3.6 of paper 5 makes it clear what the E&W SAB have to do in this area and that the Scottish SAB could mirror this.

#### **7. Cost Transparency Update**

The SAB noted the paper and updates on the cost transparency system. It was further noted that the system needs further refinement at Pension Fund level and that the SAB joint secretaries currently have access to high level information.

The SAB also noted that there is not in fact an accounting standard in place as suggested in the paper, but that voluntary disclosure of information under CIPFA guidance.

#### **8. Scheme Advisory Board Work Plan – Review of Activities**

The SAB noted the updated Workplan and that this now includes a separate item on climate risk reporting/ responsible investment.

#### **9. AOB**

No items of AOB were notified at this point.

#### Future Meeting Dates for Noting:

Dates were agreed for the coming year as follows:

Wednesday 23<sup>rd</sup> February.

Wednesday 20<sup>th</sup> April.

Tuesday 28<sup>th</sup> June.

Wednesday 31<sup>st</sup> August.

Wednesday 30<sup>th</sup> November

All meetings at 10.30am.