

**Local Government Pension Scheme Advisory Board**

**10:30-12:30, 29 November 2023**

**via Microsoft Teams**

**Attendees**

Kirsty Robb	Borders College
Kenny Dick	Care Inspectorate
Cllr Mandy Watt	City of Edinburgh Council
Jonathan Sharma	COSLA
Sarah Watters	COSLA
Cllr David Richardson	East Ayrshire Council
Martin Smith	GAD
John Bayliss	GAD
Andy Thompson	GMB
Annette Drylie	GMB
Catherine McFadyen	Hymans
Bruce Miller	Lothian Pension Fund
Cllr Simon Mountford	Scottish Borders Council
Cllr David Parker	Scottish Borders Council
Angela Rainey	SPDS
Alan Wilkinson	SPPA
Iain Coltman	SPPA
Kimberley Linge	SPPA
Richard McIndoe	Strathclyde Pension Fund
Simon Watson	UNISON
Davena Rankin	UNISON
Stephen Smellie	UNISON
Brian Robertson (Chair)	UNITE

**Apologies**

Martin Booth	Directors of Finance Section
Cllr Vaughan Moody	East Dunbartonshire Council
Graham McNab	UNITE

**Discussion**

**1. Welcome and Apologies**

The Chair opened the meeting, thanked those who provided nominations for the role of SAB Chair, and requested that the SAB discuss comments by the Deputy First Minister on the size of the public sector workforce at a future meeting.

**2. Conflict of Interest Declarations**

It was agreed that SAB advisers would not attend Item 8. It was agreed that Item 9 would therefore come before Item 8 in the Agenda.

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

The minute of the previous meeting was agreed, pending the addition of Annette Drylie to the apologies.

Sarah Watters noted the action on age data could be included in the 2022/23 SAB Annual Report.

### 4. GAD Update 2020 Valuation Assumptions

The SAB received a presentation from GAD colleagues. The SAB noted that the GAD are undertaking a revaluation as at 31 March 2020, with a target cost corridor of +/- 3%.

The SAB heard of downward pressure on the core cap cost, slight improvements which have been made to data quality, and the impact of significant numbers of new entrants on the data available to the scheme.

The SAB discussed the impact of the number of women in the SLGPS and noted estimates for the gender pension gap in the next valuation.

The SAB heard that GAD officers would share formal valuation results with the SPPA prior to the end of 2023.

**ACTION:** GAD officers to circulate links to reports on the gender pension gap conducted using English and Welsh scheme data.

### 5. SPPA Update

SPPA officers requested that the SAB consider a response to the DLUHC call for evidence and asked the SAB to provide a response on the contents of the paper to Scottish Ministers.

The SAB heard that the Minister is keen to hear the view of the SAB on the Mansion House Speech, in particular on investments, pooling, and mergers.

**ACTION:** Joint Secretaries to meeting with SPPA to expand upon the request of the Minister.

**ACTION:** SAB Chairs to discuss next steps with SAB Joint Secretaries and SAB Advisers in 2024.

**ACTION:** Discussion paper to be produced noting the outcome of these meetings at the next SAB meeting in February 2024.

### 6. Economic Activity Bill

The SAB Joint Secretaries asked SAB members to agree next steps with regards to the SAB's response to the Economic Activity of Public Bodies Bill.

SAB members asked clarification on the view of the Pension Funds and noted the language contained in the Bill.

The SAB heard that a number of funds in England and Wales had sought legal advice.

The SAB emphasised the political nature of such interventions from the UK Government in the workings of pension funds.

**ACTION:** SAB to write to the Minister for Community Wealth and Public Finance, Tom Arthur, to facilitate representation on this as the Bill is considered in the House of Lords.

**ACTION:** SAB Joint Secretaries to approach English and Welsh SAB regarding legal advice.

## 7. Training Workshops

The SAB Joint Secretaries advised the SAB of the recommendations emanating from the SAB Training Workshops. The SAB discussed the challenges of regular attendance, plans for future training, and ways to ensure broad attendance and input from all members.

Suggestions from SAB members included a self-assessment of training needs.

The SAB were advised that Clare Scott had offered a further recap or summary session for SAB members following the conclusion of the training workshops.

**ACTION:** Joint Secretaries to organise session with Clare Scott for SAB members.

**ACTION:** Joint Secretaries to liaise with Clare Scott regarding obtaining independent assistance in preparing a SAB training programme.

## 8. Specialist Support to the SAB

The SAB heard that feedback had been received on excluding analysis of the structure of the scheme, that there were no current plans to conduct interviews, and that some local authorities had developed matrixes for tendering.

SAB members asked that any specialist support have requisite knowledge of the public pensions system to provide advice on areas such as structure.

**ACTION:** SAB agreed with paper's recommendations pending the removal of the line regarding structure.

## 9. SAB Draft Budget

The SAB were advised of the contents of the proposed SAB Budget for 24/25. SAB members discussed the SAB Levy, citing increasing UK Government involvement and noting that greater advice and support may be required in the future.

SAB members recommended greater pro-activeness on behalf of the SAB.

**ACTION:** SAB agreed paper's recommendations.

**ACTION:** SAB to consider amendments to the distribution of the Levy in November 2024.

**ACTION:** SAB to look at the development of an induction and training programme through the use of existing funds.

## 10. Update on Working Groups

The SAB received an update on the Working Groups. An offer from GAD to assist with the Cost Control Group was accepted by the SAB.

**ACTION:** The SAB received nominations from Kenny Dick and Cllr Watt from the Employers Side for the Cost Management and Good Governance Working Groups. The Employees Side to supply nominations at a later date.

#### 11. Transparency Update

SAB members heard that SAB attendance at the Cost Transparency training had been good.

It was noted that the E&W SAB is establishing a technical working group to review the cost transparency system and there is an opportunity for a Scottish SAB Member to join this.

**ACTION:** Joint Secretaries to write to Pension Funds to ask for nominations on the E&W transparency working group.

#### 12. SAB Workplan

Workplan was noted.

#### 13. AOB

**ACTION:** Cllr Mountford asked for feedback on the Falkirk-Lothians Merger. Cllr Watt to speak to the Lothians Pension Committee and provide feedback to the Joint Secretaries. The SAB Joint Secretaries to canvas funds for a new advisor.

#### 14. Future Meetings

February 2024 meeting to be held virtually.

**ACTION:** SAB Joint Secretaries to canvas SAB members for a date on the first SAB meeting of 2024.