

Local Government Pension Scheme Advisory Board
10:30-12:30, Wednesday, 13 November 2024
MS Teams

Attendees

<u>SAB Members</u>	
Cllr David Parker (Chair)	Scottish Borders Council
Andy Thompson (Vice Chair)	GMB
Simon Watson (Joint Secretary)	UNISON
Arthur Nicoll	UNISON
Davena Rankin	UNISON
Annette Drylie	GMB
Cllr Vaughan Moody	East Dunbartonshire Council
Cllr Simon Mountford	Scottish Borders Council
Cllr Mandy Watt	City of Edinburgh Council
Kenny Dick	Care Inspectorate
Cllr David Richardson	East Ayrshire Council
<u>Advisers and Observers</u>	
Jonathan Sharma (Joint Secretary)	COSLA
Gary Leadbetter	COSLA
Mirren Kelly	COSLA
Ian Coltman	SPPA
Alan Wilkinson	SPPA
Eva Sobek	SPPA
Richard McIndoe	Strathclyde Pension Fund
Evelyn Johnston	Chair of Highland Pension Fund
Darren May	Chair of Lothian Pension Fund
Richard Warden	Hymans Robertson
Gavin Paul	Barnett Waddingham
Martin Smith	GAD

Apologies

Graham McNab	Unite
Brian Robertson	Unite
Kirsty Robb	Scottish Borders Council

Discussion

1. Welcome and Apologies

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

2. Conflict of Interest Declarations

None advised.

3. Minute of Last Meeting and Matters Arising

The Minutes of the previous meetings of 11 September and 11 October 2024 were submitted and approved as correct records.

It was agreed that the Minister's letter, that was presented at the previous meeting, would be appended to the Minute of today's meeting.

4. Short Introduction from Barnett Waddingham on Specialist Support

The SAB were presented with a short introduction and overview of Barnett Waddingham, including information in relation to the specialist support their governance team were able to provide to the SAB.

5. GAD Update on 2024 Valuation and its Role

The SAB were provided a short introduction and overview of GAD and the 2024 Valuation that GAD will be carrying out, with time given for a short question and answer session.

It was advised that the valuation is being carried out as a legal requirement, with the purpose of assessing the total cost of the scheme and impact of the cost mechanism.

It was further advised that, in relation to the valuation, the SAB has the responsibility for providing advice to the responsible authority, at the authority's request, on the desirability of changes to the scheme.

6. SPPA Update

The update covered the exit credits consultation; a consultation on changes to the Local Government Pension Scheme (Remedial Service) (Scotland) Regulations 2023; advice to Scottish Ministers in relation to investments, with it being noted that the Minister is waiting from a response from the SAB in relation to how much each of the funds currently invests in Scottish infrastructure projects and Scottish Equities; and the GAD McCloud Interest Calculator.

It was noted the Joint Secretaries had written to the Pension Funds asking for information around investments, and that this would be followed up and be pulled together and considered at a meeting of the SAB for a response to Ministers.

7. Update on SAB Actions Including Working Groups

The SAB considered a paper which provided updates on several agreed SAB actions, including updates from Working Groups.

In relation to good governance, it was noted that a seminar around the Good Governance Code of Practice is to be arranged, and the SAB and Pension Boards will be invited to this. The intention is to hold the event in February 2025, with dates being checked. It was also noted that Clare Scott has offered to provide a proposal along with a cost, which the SAB will be asked to agree by correspondence.

Regarding cost control, it was noted that the Working Group are due to meet in early December.

On exit credits, it was noted that the Group met in November and discussed the Funding Strategy Statement Working Group which had produced a draft report as part of looking at recommendations around funds providing exit credits. The Group also had a wider look at the Funding Strategy Statement, noting it seemed positive and that the recommendation would be for the SAB to approve this when it is brought before them.

In terms of the gender pensions gap, the seminar will be held on 26 November, with most of what happened in the English and Welsh seminar being replicated, with various speakers coming along.

In relation to the Transparency Working Group, an update was provided in relation to discussions around the current system, and that the possibility of a recommissioning process was being explored, alongside best value and what was required from the system.

8. Process for SAB Issues Raised by Pension Boards

The SAB considered a paper which set out principles and a proposed process for the SAB to use to respond to a request from Pension Funds for the SAB to provide advice in relation to a difference of opinion between the Pension Board and the Pension Committee.

It was queried whether the SAB should produce guidance for the Pension Funds on resolving disputes or differences of opinions.

A discussion took place on recuperation of costs to the SAB, were they to investigate the referred matter, although it was noted that there is no clear facility within the regulations to do so. It was agreed that this would be kept under review.

The process proposed in the paper was agreed, subject to the addition that the committee must first consider whether they are the competent body to review the matter referred to the SAB in light of relevant regulations and rules and report back to the SAB if necessary, and that there should be a review of the appropriateness of the wording in the proposed process that “there is no right of appeal.” It was also agreed that there should also be a reflection on whether guidance should be drafted, following this process of learning.

It was further agreed that the SPPA should be involved, so they can review the process followed. The SPPA agreed they would be happy to review the process and provide any relevant advice.

The SAB nominated Cllr Simon Mountford and Andy Thompson to the committee.

9. SAB Work Plan – Review of Activities

The SAB considered a paper which provided an update on the current status of the Workplan and highlighted progress in certain areas. The Work Plan was noted.

10. AOB

There was no other business.

Future Meeting Dates:

The SAB agreed the future meeting dates of:

- Wednesday, 19 February 2025, 10:30 – 12:30 (by MS Teams)

- Wednesday, 21 May 2025, 10:30 – 12:30 (hybrid)
- Wednesday, 27 August 2025, 10:30 – 12:30 (hybrid)
- Wednesday, 26 November 2025, 10:30 – 12:30 (by MS Teams)