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Scottish Local Government Pension Scheme
Advisory Board

By email:

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10th October 2024

Dear Board Members,

Scottish Local Government Pension Scheme Advisory Board

Under its terms of reference, the Scottish Local Government Pension Scheme Advisory Board (SAB) should comprise “Joint chairs nominated respectively by local government pension scheme employers and the relevant trade unions for the Scheme Advisory Board membership and to be formally appointed by Scottish Ministers.” This appointment is routinely made by officials at the Scottish Public Pensions Agency on my behalf.

I am aware that nominations are currently sought, and that the employers’ side has nominated Cllr Parker, which has caused concern amongst member representatives. I understand that this is principally due to a letter sent by Cllr Parker in his role as pension committee member at Scottish Borders Council to officers at other fund authorities in which he proposes an event to discuss collaborative opportunities in the administration of the Scottish Local Government Pension Scheme (LGPS).

I have reviewed the content of this letter. In many respects the themes of the proposed event - collaboration, climate transition and investment in infrastructure - reflect ongoing discussions about important issues which have been at the forefront of the Scottish LGPS landscape over the last few years. In my view, this would appear to be a good opportunity for stakeholders to think inclusively, creatively and constructively at an important time for the Scheme and its members.

Whilst I recognise that there may be some concerns that the role of Chair could conflict with this initiative, I do not share them. The SAB is not a decision-making body and the Chair has no casting vote. The SAB exists to provide the Scottish Ministers with advice, on request, about the desirability of changes to the Scottish LGPS, which must necessarily include policy issues and changes to scheme regulations. I would like to reassure SAB members that their collective and individual views are, first and foremost, central to any considerations on any

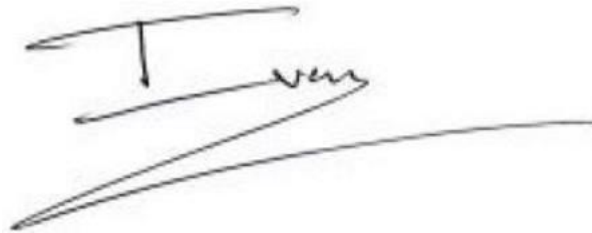
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proposals that may initiate policy, governance or regulatory changes. Indeed, I would very much expect that SAB members can help shape and refine such discussions.

I hope this makes my position on the Chair arrangements clear, and I will ask SPPA officials to formally appoint the nominated joint chairs at the appropriate time to allow the Board to continue its business.

I recognise the importance of robust governance arrangements, and officials will consider whether there is merit in proposing a review of the terms of reference to ensure there are no obstacles to meaningful Board discussions at future meetings.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ivan McKee', written over a horizontal line.

IVAN MCKEE

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