

February 2019

BULLETIN

Structures Consultation

The SAB received an update on the progress of the structures consultation. By the time it closed in December, there was a high response with a broad spread of views. Certain areas were identified where respondents held conflicting views of the underlying facts, and additional analysis is being undertaken to help clarify this and enable the board to determine a set of recommendations. A number of other areas of broad agreement by respondents were also noted. The final report will go to the next SAB for approval.

Transparency Code

The SAB has formally joined a new online system for collecting and analysing investment fees and costs charged by investment managers, due to launch in April 2019. Stage one is a process to collect and validate data, and giving users guidance on using the system. Stage two will analyse the data, and a final stage will automate the process. The SAB will contact boards with more information in the near future.

SLGPS scheme Cost Cap

Some “transitory protections” for members of the Judges’ and Firefighters’ pensions schemes are discriminatory on grounds of age, according to the Court of Appeal. The UK Government has asked to appeal to the Supreme Court, but meanwhile has halted the valuations of all public sector pension schemes because the outcome may mean additional costs to the schemes. So the current analysis of whether the “Cost Cap” for the SLGPS had been breached, which was expected in mid-2019, is now on hold.

Training

The SAB discussed how to ensure that Pension Board members, and SAB members, understood what training was necessary and also desirable for them to fulfill their roles. Most Boards have a training programme for members, but there is significant variation in what training members have actually had. The joint-secretaries will progress this and report back to the next meeting.

Pensions Developments

Recent developments related to pensions, including a new Single Guidance Finance Body for pensions and money; a critical Competition and Markets Authority report into investment consultancy; bad advice for those utilising “Pensions Freedoms”; climate friendly investments by the Merseyside Pension Fund; WASPI women winning the right to a Judicial Review and a consultation (in England) about enhanced rights for council workers to stay in the LGPS if they are outsourced.

Annual Report

The SAB agreed its annual, and an update format for next year.

Further details on our website www.lgpsab.scot.