

PE18. Local Government Pension Scheme – Consultation of Scheme Structure

The Committee and Board considered a report by the Director of Corporate and Housing Services advising of a consultation exercise on the structure of the Local Government Pension Scheme in Scotland.

The Scottish Local Government Pension Scheme (SLGPS) was the largest pension scheme in Scotland, with around 400,000 members and combined assets of £42bn and liabilities of £55bn. It was administered by 11 separate authorities including Strathclyde, which was the largest, and Falkirk Council.

The Cabinet Secretary had requested that the Scheme Advisory Board undertake a structural review of the pension scheme. A consultation document had been published in June 2018. The deadline for responses was 7 December 2018. Responses would be collected by the Pensions Institute and reported to the Scottish Government with a final decision expected mid to late 2019.

The consultation document identified four options for consideration:-

- Retain the current structure of 11 Scottish LGPS Funds
- Promote greater co-operation in administration and investing between the 11 Funds
- Pool investments between the 11 Funds
- Merge the 11 Funds into one or more new Funds

The report set out the advantages and disadvantages of each option and set out a proposal mechanism to manage the Committee's response. It was proposed that a group, consisting of Committee and Board members, be established to prepare a draft response for committee approval. It was open for the Board to make its own submission. The group would be supported by officers.

The meeting adjourned at 10.00 am to allow Board representatives to consider whether the Board would participate in the proposal group or to make its own submission, and reconvened at 10.25 am. The Board members confirmed participation in the group.

Following decision it was agreed that the group would comprise 3 committee members and 2 board members. Officers would provide advice to the group.

Decision

The Committee and Board agreed:-

- (1) to establish a working group comprising 3 members of the committee (Councillor Blackwood, Councillor McCue and Andy**

Douglas) and 2 Board members (Susan Crook and Jennifer Welsh), and

- (2) **to request the Chief Finance Officers to formulate initial draft responses to the consultation question.**