

LGPS Scheme Advisory Board

Summary note of (hybrid) meeting held on 17th July 2023

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the meeting on 22nd May were approved.

The main points arising from the meeting are shown below:

Economic Activity of Public Bodies (Overseas Matters) Bill - On June 30th, the then LGA Chairman Cllr James Jamieson, supported by the LGA's Head of Pensions Jo Donnelly, met the DLUHC Minister Felicity Buchan to discuss the Bill, with a particular focus around the proposed enforcement regime. The Bill is now at Committee stage and the SAB will be submitting evidence to the Committee in September 2023.

McCloud - DLUHC's second McCloud consultation closed on 30th June 2023. The LGPC response comprised largely of responses to technical issues raised. There were ongoing concerns about the timing of regulations and resource capacity within DLUHC to do this work. The LGPC team had begun work to procure a provider to draft communications for scheme members with input from the Communications Working Group.

Investments - DLUHC's long-awaited consultation, titled "Next Steps on Investments" was issued on 11th July 2023. The consultation closes on 2nd October 2023.

The Board had a lengthy discussion about the consultation and in particular DLUHC's proposals to accelerate the pooling of investments. A working group was established to help draft the SAB response.

Cost Control Mechanisms - The results of the Treasury Cost Control Mechanism are expected in the Autumn and the intention is for the SAB Scheme Cost Assessment (SCA) process to feed into GAD who will provide advice to the Board on assumptions, e.g. the appropriate discount rate for a funded scheme like LGPS. Both cost assessments examine the overall cost of the scheme, but the SAB process also examines the split of costs between employers and employees.

Code of Transparency Reporting System - The Board is considering the future of the Code of Transparency reporting system. The contract to provide this system, currently held by Byhiras, expires in August 2024 and so the Board discussed the options on the most suitable next steps

The Secretariat are also carrying out a series of roadshows to promote better understanding of, and engagement with, the system. As part of these sessions, feedback was being sought on whether the system specification was meeting funds' needs. The Board wanted feedback from the roadshows to shape a paper for their December 2023 meeting.

Annual Report update - The tenth Scheme Annual Report was published on 27th June 2023. The Chair thanked Gareth Brown, the SAB's Research and Data Analyst, for his work in creating the report.

Board Budget 2023/24 - The Board discussed the delayed approval of the 2023/24 Budget and Workplan by the Minister. The Chair informed the Board that he had recently met with the Minister and had a substantive discussion on this issue. The Minister had requested alternative options for the 2023/24 budget before making a final decision on which option to approve. The Board discussed and approved the options presented in the paper. It was agreed to develop a medium-term financial plan to give further clarity about expenditure in future years with the aim of reducing late approval of the budget and workplan, and therefore giving more certainty to the Board.

Terms of Reference - The Board received a paper on the Terms of Reference (ToR) which included a recommendation that the ToR be updated to amend the minimum number of four meetings per year to three. The Board agreed this change.

Date of Next Meeting – 4th December 2023