

Review of the Structure of the Scottish Local Government Pension Scheme

CONSULTATION RESPONSE FORM

Instructions

Responses in this form should be drafted in conjunction with the accompanying consultation report. To respond, please complete the **respondent details** and as many of the **consultation questions** your organisation wishes to complete and return the form via email to the Pensions Institute at consultation@pensions-institute.org no later than **Friday, 7 December 2018**.

This consultation is being conducted in electronic form only, so **responses must be emailed**; hard copy posted or delivered responses cannot be received. Any queries about the consultation should be addressed to Matthew Roy, Fellow, Pensions Institute at matthew.roy@pensions-institute.org.

RESPONDENT DETAILS

Name of responding organisation(s)

Please list the full name of each organisation participating in this response.

Organisation type

Is your organisation an administering authority, employer, or employee group? Please record for each responding organisation.

full names of responding organisations	type of organisation
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Authors

Please list any people that wish to be recorded as authors of this response, including name, job title and organisation.

Consent

Please confirm each author consents to their information being retained for analysing the consultation responses by writing 'confirm' by their name.

names, job titles and organisation of authors	consents
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Date

Please date the response.

date

Covering information

If you wish to include covering information with your response, please include the text here. The text can wrap onto additional pages if needed.

covering text

The consultation questions follow.

CONSULTATION QUESTIONS

Question 1: Retain the current structure with 11 funds

The text can wrap onto additional pages.

a) Cost of investing:

- *How well informed do you feel about the investment costs in your fund? What information do you rely on to specify and measure these?*
- *How well does the current system manage investment costs?*
- *How would you improve the measurement and management of investment costs in the current system?*

b) Governance:

- *How well informed do you feel about the governance of your fund? What information do you rely on to measure this?*
- *How well is the current system governed?*
- *How would you improve governance of the current system?*
- *How important is it to maintain a local connection with respect to oversight and strategy?*

How would you determine if the benefits of a local connection in governance outweigh the benefits of scale?

c) Operating risks:

- *How well informed do feel about the operating risks of your fund? What information do you rely on to specify and measure these?*
- *How well are operating risks managed in the current system?*
- *How would you improve the measurement and management of operating risks in the current system?*

d) Infrastructure:

- *How well informed do you feel about your fund's investments in infrastructure? What information do you rely on?*
- *How do you rate the current system's ability to invest in infrastructure?*
- *How would you increase investment in infrastructure in the current system?*

e) Do you have any additional comments about this option?

Question 2: Promote cooperation in investing and administration between the 11 funds

The text can wrap onto additional pages.

a) Cost of investing:

- *What impact do you think promoting agreements between funds would have on investment costs?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

b) Governance:

- *What impact do you think promoting agreements between funds would have on governance?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

c) Operating risks:

- *What impact do you think promoting agreements between funds would have on operating risks?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

d) Infrastructure:

- *What impact do you think promoting agreements between funds would have on funds' ability to invest in infrastructure?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

e) Do you have any additional comments about this option?

Question 3: Pool investments between the 11 funds

The text can wrap onto additional pages.

a) Cost of investing:

- *What impact do you think pooling investments between funds would have on the cost of investing?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*
- *If asset pooling were possible, under what circumstances should a fund consider joining an asset pool?*
- *Under which circumstances should the SLGPS consider directing funds to pool?*

b) Governance:

- *What impact do you think pooling investments between funds would have on governance?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

c) Operating risks:

- *What impact do you think pooling investments between funds would have on operating risks?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

d) Infrastructure:

- *What impact do you think pooling investments between funds would have on funds' ability to invest in infrastructure?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

Do you have any additional comments about this option?

Question 4: Merge the funds into one or more new funds

The text can wrap onto additional pages.

a) Cost of investing:

- *What impact do you think mergers between funds would have on the cost of investing?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*
- *If merging were possible, under what circumstances should a fund consider a merger?*
- *Under what circumstances should the SLGPS consider directing funds to merge?*

b) Governance:

- *What impact do you think mergers between funds would have on governance?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

c) Operating risks:

- *What impact do you think mergers between funds would have on operating risks?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

d) Infrastructure:

- *What impact do you think mergers between funds would have on funds' ability to invest in infrastructure?*
- *What would be the positive impacts?*
- *What would be the negative impacts?*

e) Do you have any additional comments about this option?

Question 5: Preferred and additional options

The text can wrap onto additional pages.

- a) Which option does your organisation prefer? Please explain your preference.**

- b) What other options should be considered for the future structure of the LGPS?**

- c) What would be the advantages and disadvantages of these other option for funds' investment costs, governance, operating risks and ability to invest in infrastructure?**

- d) Are there any other comments you would like to make?**

The consultation questions end.