

Workforce, Pay and Pensions
HM Treasury 2/Red 1
Horse Guards Road
London SW1A 2HQ

13 August 2021

Dear Sir / Madam

- 1 Public service pensions: Consultation on the discount rate methodology, HM Treasury published 24 June 2021**
- 2 Public service pensions: cost control mechanism consultation, HM Treasury published 24 June 2021**

I am writing on behalf of the Association of Professional Pension Trustees (the APPT) in response to the above two consultations.

The APPT is the largest professional trustee organisation in the UK representing the majority of accredited professional pension trustees. The majority of our members' appointments are in relation to pension schemes subject to Part 3 of the Pension Act 2004 although a small number of our members sit on Pension Boards for the unfunded Public Service Pension Schemes (PSPS).

We have read HMT's consultations regarding the methodology the Government uses to the SCAPE discount rate and the Government's proposed changes to the cost control mechanism for PSPS. The information and questions raised in these documents are highly technical in nature and while many of our members are actuaries by background we have read the material from the point of view of being a professional trustee.

In that regard, we have no specific comments on the questions raised in the consultation documents. However, we would be happy to share our member's experience of applying the Pension Regulator's Integrated Risk Management framework to pension scheme funding and how that could feed into the Government future thinking in setting a framework for managing the cost of the PSPS.

We would also be happy to share our members' wider experience of running private sector pension schemes effectively so that the Government is aware of best practice in the private sector. This includes governance issues such as managing conflicts of interest, strengthening stakeholder understanding of the PSPS funding regime and the benefits of wider use of professional pension trustees on PSPS Pension Board to uphold governance standards and providing effective and efficient administration.

Please let me know if you would be interested in discussing these issues further. In that event, please contact me at Vassos_Vassou@dalriadatrustees.co.uk or on 07816 223629.

Your sincerely

Vassos Vassou

Council Member, on behalf of the APPT Council
Association of Professional Pension Trustees

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