

October 2020

BULLETIN

Structures Review

Further work was undertaken over the summer developing the specification for a procurement process for business cases on options for future fund structures. Given the technical nature of large procurement processes, it was decided to approach Scotland Excel to seek their expertise. Given the potential importance of this for the future of the LGPS in Scotland, it was also agreed to consult with funds and trades unions on the final version.

Infrastructure investment

Following infrastructure investment in Scotland being highlighted as a significant issue in the consultation on future LGPS structures, the SAB wrote to all pension funds to better understand their experience of investment in Scottish infrastructure and their views on what the Scottish Government could do to help facilitate this. The SAB discussed the responses and has now written to the government with comments and suggestions.

Cost Cap

In July HM Treasury lifted the pause the calculation of the "Cost Cap" based on the 2016 valuation. GAD is recommending its work on this, and the SAB anticipates a full discussion on this in early 2021.

Employer Exits

"Cessation" costs for employers remains an area of significant interest. The SAB received a report from its working group on this, which made a number of proposals to improve the cessation process. The discussion was then deferred to allow for employee concerns to be incorporated.

Transparency

The SAB has signed up to the online Investment Cost Transparency Compliance System which went live in April 2020 and has now received over 1,000 reports. The early months have focused on embedding the smooth running of the system, and the SAB is asking funds on their experience of it and how it can be improved and developed in future.

Support for the SAB

The SAB has been exploring getting additional support to take forward its programme of work, and it is hoped that this will bear fruit in the coming months.

Further details on our website www.lgpsab.scot.