
Scottish Local Government Pension Scheme Advisory Board

SPPA Update - 31 August 2022

1. Section 13 Reporting – to note

1.1 Cost control measures for public service pension schemes were introduced by the Public Service Pensions Act 2013. Section 13 of that Act relates to employer contributions in the funded local government pension schemes and in particular require the responsible authority (in Scotland, the Scottish Ministers) to appoint an actuary to review the fund valuations and to report on whether the aims in relation to compliance, consistency, solvency and long-term cost efficiency are being achieved.

1.2 Analysis on the overall funding position of the scheme in Scotland in respect of the 207 valuations was provided by the Government Actuary's Department (GAD) and the [2017 Section 13 report Scotland](#) was published in December 2019.

1.3 The outcome of initial engagement discussion and a draft Section 13 report for the 2020 valuations is expected in October, followed by the final report and publication process by the end of November/early December.

1.4 GAD colleagues are happy to attend the next SAB meeting to give an overview of the work and answer any questions from the board.

2. McCloud – to note

2.1 In order to implement the McCloud remedy, Administering Authorities will need guidance on what to do where employers are unable to provide certain data, such as part-time hours or service break data, or where queries remain unresolved.

2.2 In England & Wales, representatives of the Local Government Association (LGA) discussed the issues with Dept for Levelling Up, Housing and Communities (DLUHC) and agreed that interim guidance should come from the Scheme Advisory Board (E&W), as DLUHC colleagues confirmed it would be next year before statutory guidance could be published.

2.3 The Scheme Advisory Board in E&W have agreed to set up a small scoping group of administering authority staff to discuss issues, potential solutions and whether to allow authorities to apply an element of discretion. Board members may wish to consider issuing similar guidance for administering authorities. SPPA can support these considerations.

3. TCFD Reporting – for discussion

3.1 DLUHC is expecting to publish a public consultation, in the Autumn, which will cover the Task Force on Climate-related Financial Disclosures (TCFD) reporting, levelling up and pooling guidance for administering authorities.

3.2 The Scottish SAB sub-group previously advised their intention to follow E&W regulations in this area and Scottish Ministers understand a representative of the Scottish SAB has attended a meeting of the E&W SAB Responsible Investment sub-group.

4. Good Governance – for action

4.1 In January 2019 the E&W LGPS Scheme Advisory Board commissioned Hymans Robertson to assist in delivering a review of governance across the LGPS. This review was termed ‘The ‘Good Governance project’.

4.2 The SAB Board agreed to consult on proposals to separate the pensions function from administering authorities to resolve any perceived conflict of interest of elected members acting in the best interest of their local authority rather than scheme members. This was completed with a view to improving the standards of governance and administration of the scheme, on a consistent basis, to meet the standards expected by the Pensions Regulator. [The Good Governance Report](#) provided by Hymans Robertson is currently with DLUHC for review.

4.3 The Scottish SAB may wish to review this report, to judge if it might be appropriate for Scotland

5. Guidance - The Local Government Pension Scheme (Scotland) (Miscellaneous Amendments) Regulations 2022 – for action

5.1 The Local Government Pension Scheme (Scotland) (Miscellaneous Amendments) Regulations 2022 (2022/153) were laid before the Scottish Parliament on 3rd May 2022 and came into force on 1 June 2022. Amongst other things, these amendments provided for administering authorities to enter into deferred debt arrangements with exiting employers.

5.2 Similar provisions introduced in E&W were supported by [guidance](#) provided by the E&W Scheme Advisory Board. It has been brought to Scottish Ministers’ attention that fund authorities and their actuaries believe that guidance to implement these regulations is also needed in Scotland.



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5.3 It would be helpful if the SAB would indicate whether it plans to issue equivalent guidance in Scotland.

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