

March 2023

BULLETIN

Cost Transparency

Supporting funds to drive down investment costs remains an important area of work for the SAB, and the online reporting system for fund managers helps make these more transparent and comparable across investments. The SAB noted the latest data, with a significant increase in the number of response, and agreed to a training session on the system for Pension Committee and Fund Board members, and technical staff.

Costs of Scheme Actuarial support

Legislation requires certain actuarial work to take place, including "Section 13 " reports and "cost cap" assessments. Previously these have been funded by Scottish Ministers, and the SAB was approached for its view on whether Funds should take on these costs, which are quite significant. The opinion of the SAB was that the current system was appropriate, and as legislative requirements it would be inappropriate for these costs to be paid by funds, and ultimately by members pension contributions. It advised Scottish Ministers of this view.

Structures of the LGPS in Scotland

The SAB heard that two funds are continuing to explore merger proposals, and discussed a proposal for a series of workshops to better understand key issues involved in such changes, highlighting governance but also considering investments and other issues. A series of workshops are planned for later this year. It also wrote to Ministers seeking more clarification on the advice they wished the SAB to give on this.

National Care Service

The National Care Service Bill under consideration by the Scottish Parliament proposes a significant reorganisation of services, and potential impacts on pensions. The SAB was informed of consultations retained to advise on this, and has written to ministers seeking greater detail about the commissioned work and what advice the SAB can provide to Ministers regarding the implications for the SLGPS.

The SAB also invited Ministers to meet in person to develop a dialogue on issues around the structures review and National Care Service.

Further details on our website www.lgpsab.scot.