

Following the 2023 UK Autumn statement, Scottish Ministers wrote to the SAB requesting views upon the proposals (directly affecting England and Wales), in addition to Scottish-based Investments, and building community wealth. A specific request made was to “investigate and provide a report on how much, if any, each of the funds currently invests in Scottish infrastructure projects and Scottish Equities.”

The SAB has considered these issues for some time. It commissioned a report from the Pensions Institute and a year-long research programme. In 2023, the SAB agreed to a series of workshops to upskill SAB members to better engage on a number of issues relating to the Scottish LGPS, including investment, governance and structures. Out of this came a report to the May 2024 SAB, with recommendations for development in various areas.

In July 2024 Ministers wrote again, saying they looked forward to being kept informed or SAB work on “supporting local investment, and of the developments in England and Wales to press for increasing the size of pools and for increased investment in assets and equities. In November 2024 the SPPA reminded the SAB that ministers would be “grateful for receive advice from the Scottish SAB at the earliest opportunity.” 14 November saw MHCLG launch their “Fit For the Future Consultation” on the LGPS in England and Wales (on which the SAB has a separate briefing paper).

Given the imperative for the SAB to give advice to Scottish Ministers; the development of the knowledge of SAB members on this topic; and the developments in evidence from elsewhere, it appears the right time to look at this afresh.

Therefore, it is recommended that SAB hold an extended meeting with expert views from a variety of perspectives to robustly examine the different alternatives, and move towards being able to give a view to ministers. Given the SAB’s past experience of reaching outcomes that command the confidence of the whole board, it is suggested that this should be an in-person only event, held within the next two months, arranged with the support of an appropriate facilitator.