

March 2025

BULLETIN

Over the last 18 months SAB have engaged in a series of training events on the LGPS. With the UK agenda progressing and the **Fit for the Future** consultation, Ministers reminded the SAB of their request for a view on the intentions of the UK Government and their 'pooling agenda'. The SAB received a briefing note from its external advisors, and agreed to hold a special event in the near future, including discussion on divergent views on alternative ways forward, to agree the principles for a response on this.

Related to this, Ministers have also asked for details from Funds about their **investments in Scotland**, and all Funds have been asked for responses which the SAB will collate.

The SAB's **cost control** working group had been examining whether a 'pre-breach' mechanism was needed in case the SLGPS' "cost collar" was breached, which would trigger changes in scheme benefits. After examining the mechanics of this, and the likelihood of it being used, now that the Treasury's mechanism includes an economic check, the SAB decided against taking this forward.

GAD reported that the 2024 overall **scheme valuation** was now underway, and all data has been received to be processed. There is a long process before any changes, if these are needed at all, are introduced in April 2027. In addition, GAD prepares a "Section 13" report looking at the valuations of individual funds, and this is due in spring / summer 2025.

The SPPA reported on their response to the consultation on **exit credits**, and concluded that they would bring forward changes to broadly align to those made in England and Wales in 2020 to give funds discretion over payment of these. Scottish Ministers have now laid these regulations in parliament. The SAB previously advised Funds to look to the principles in the new Funding Strategy Statement guidance about how to exercise any discretion.

On **climate change risk**, the SAB received a paper from its external advisor looking at how regulations could be changed to incorporate this agenda, based on the regulations already applying to private sector schemes. It was suggested that mirroring existing regulations would give a more sustainable approach, and the SAB agreed to reconvene its working group to take this forward.

On **resourcing**, the SAB agreed to take on a part-time policy advisor for an initial period of at least a year to support the work of the joint secretaries.

And finally, after supporting the SAB throughout its entire existence, employer-side secretary Jonathan Sharma announced he was now taking his own pension and retiring. The SAB thanked him for his dedicated work, and welcomed Gareth Dixon, his replacement.

The SAB is also keen to hear **your views on this bulletin**, and how it can be improved. Please email the joint secretaries garethd@cosla.gov.uk and s.watson@unison.co.uk.

Further details on our website www.lgpsab.scot.