

Scottish Local Government Pension Scheme Advisory Board
21 May 2025

Scheme Advisory Board Workplan

Review of Activities

1. This report provides an update on the current status of the LGPSAB Workplan (Appendix I) and highlights progress in certain areas. Recommendations

2. The Board are asked to:

- i. Note the updated position for all Workplan items
- ii. Consider representatives to the four E&W SAB working Groups
- iii. Provide further direction and steer as appropriate

Appendix

Current workplan areas

No.	Title	Description	Output Required	Completion Date	Update
1	SAB Training Plan	The SAB has an agreement to ensure appropriate training for all SAB Members an ongoing basis.	An action plan covering training and communications actions for the Board was previously agreed. Training plan to be developed annually.	Ongoing	3 Workshops held for 2023. Feedback paper SAB 29/11/2023 Follow up workshop 25/3/2024 Update SAB 19/2/2025
2	Structure Review	Following from the data collection exercise, to complete a review of the structure of the Scottish LGPS.	A report from the Scheme Advisory Board outlining the results of the review exercise.	On pause	Correspondence with Ministers From SAB 8/2/2023 From Minister 10/5/2023 From SAB 2024 From Minister 2024
3	Good Governance	The SAB agreed to convene a Working Group to review the guidance from Pensions Regulator/ E&W SAB	A report to SAB with recommendations to SAB for guidance/ best practice.	Ongoing	Working Group met 12/2/2024, 18/3/2024 SAB papers from SAB training Board member conference 26/2/2025
4	Transparency of Investments	To consider how to improve transparency across the Funds in relation to investment decisions.	The SAB agreed to fund annually the ongoing maintenance and development of a web portal for boards to share and analyse transparency data.	Ongoing	E&W SAB Session 21/9/2023 SAB appoint Fund adviser to E&W Transparency group Alan Sievwright
5	Publication of an Annual Report	To publish an Annual Report which sets out the work of the SAB and the financial position regarding the LGPS Funds in Scotland	Annual Report to be prepared for the 2022/23 Financial Year.	May/ June 2024	2022/3 Report published 2023/4 Report planned for early summer 2025

6	Valuation Outcomes and Impact on Cost Cap	A quadrennial agenda item whereby GAD will inform the SAB on the outputs of the most recent scheme-wide valuation exercise and provide advice on any impact on the cost cap.	To allow the Board to consider the information provided by Funds from the recent valuation exercise.	SPPA to clarify timescales	Cost cap not breached in 2020 valuation. GAD now undertaking 2024 valuation. GAD will regularly update SAB on progress.
7	Cost Control Pre-Breach Mechanism	To develop a cost cap pre-breach mechanism similar to one being developed by the English & Welsh SAB	To have a mechanism which the SAB can utilise in early anticipation of potential future breaches of the cost cap, with the option to consider mitigations prior to the cost cap valuations.	The SAB agreed to establish a technical Working Group	Working Group established, reported, and SAB agreed not to proceed. Recommended to close item
8	Cessation Valuation: Guidance and Regulation Review	To consider a range of matters raised as a result of recent activity on cessation valuations	Two areas previously considered by SAB and Scottish Government on 1) regulation review and 2) good practice guidance for Funds.	Report from Working Group now submitted to SPPA	Joint Secs wrote to Funds with guidance as agreed by SAB. SAB agreed a working group should develop further guidance. Guidance agreed to be based on advice in new Funding Strategy Statement guidance.
9	Climate Reporting	To consider potential reporting on climate related disclosure by Pension Funds in Scotland	The Scottish Government is considering introducing Regulations in Scotland similar to likely Regs in England & Wales on climate reporting. The SAB will be asked for its advice on this.	Ongoing	SAB agreed Working group to be reformed. The Working Group to convene once the position regarding climate reporting is confirmed for E&W. Kenny Dick is now Scottish SAB rep on the RIAG

Original Workplan Items now Standing Items on Board Meeting Agendas

No.	Title	Description	Output Required	Anticipated Timescale	Update
1	Communications Strategy	To consider an appropriate strategy on communications for members and on guidance for funds where required	This item will be a standing meeting item and will ensure that the Board are communicating effectively with all stakeholders		No further update.
2	Review of Regulations	A standing item to ensure that regulations reflect legislation and are fit for purpose.	This item will be a standing meeting item and will inform/reflect the Board's response to existing regulations or those in draft form.		To be considered under the SPPA's Agenda item.
3	Funding Levy mechanism	To agree a mechanism to allow the Scheme Advisory Board to fund the development work required to carry out its role.	That an agreed levy approach is agreed to support the work of the Board.	Ongoing	The SAB agreed at its 10th May 2023 meeting to bring forward a paper on developing a proportionate robust and transparent levy for future years to the 29th November 2023 meeting. The levy is agreed for 2024/25 with a further paper on future years as part of SAB Budget to be considered in November 2024 – SAB to note this will be February 2025 meeting

SAB working groups – current

Scottish SAB Good Governance Working Group	SAB members: Davena Rankin; Many Watt; Joint Secretaries; Fund Advisors: tbc
Scottish SAB Cost Control Working Group Recommend closure	SAB members: Kenny Dick; vacancy Joint Secretaries Fund Advisors: Vacancy Actuarial Advisor GAD representative
Exit Credits Working Group	Joint Secretaries Fund advisers: Laura Colliss Actuarial Advisor: Richard Warden (Hymans)
Funds Annual Reporting Working Group	Joint Secretaries Fund advisers: Laura Colliss; Albert Chen;
Board Reference Working Group	SAB members: Simon Mountford, Andrew Thompson Joint Secretaries Fund advisers: tbc Actuarial Advisor SPPA Representative

SAB representatives and observers on E&W SAB groups

SAB (E&W) Responsible Investment Advisory Group	Kenny Dick, vacancy
SAB (E&W) Gender Pension Gap Working Group	Davena Rankin
SAB (E&W) Joint CIPFA Technical Working Group	Richard McIndoe (Strathclyde PF)
SAB (E&W) Compliance and Reporting Committee	Richard McIndoe (Strathclyde PF)
SAB (E&W) Transparency Group	Alan Sievwright (Lothian PF)
SAB (E&W) Funding Strategy Statement Working Group	Erin Murray (Lothian PF)

There have been invitations for the SAB to nominate representatives to working groups of the English and Welsh SAB:

1. Good Governance (Fund Officer) - taking forward recommendations
2. Knowledge and Skills (Fund Officer) - for Board / Committee members
3. Investment Committee (SAB member) Terms of reference are at www.lgpsboard.org/images/Terms%20of%20reference/Termsofreference1C_March2024.pdf,
4. Peer support offer (Fund Officer) - for Funds

Note there is also a Communications group (to promote the LGPS), but this is run by the LGA via the LGPC. Alison Robb from Lothian Pension Fund sits on this.