

**May 2025**

## **BULLETIN**

The ability of Scottish LGPS Funds to “**Invest locally**”; the scale at which they are doing so, and impediments to this, was discussed in depth by the SAB. This is part of the UK “Fit for the Future” agenda, and also in the Scottish “Programme for Government”, which is seeking increased investment in Scotland. Following a ministerial request, the SAB has recently collected data on investments in “Scottish” equities and infrastructure by Scottish Funds. This was useful, but raised questions about how to identify these investments; the benefits of having more standardised responses, benchmarking and tracking trends over time. The SAB also considered the definition of ‘local’ and some impediments that Funds reported to making ‘local investments.’ This links to recent KC advice on Fiduciary Duty in England and Wales, and the need for clarity on the evolving understanding of this duty in Scots Law. A working group was agreed, with representation from the SAB, Fund advisors and SPPA, to set out a programme of work on these issues.

The SAB has been developing **closer working** with a number of sector bodies. The LGPS SAB in England and Wales has invited the SAB to nominate observers to a number of working groups on Good Governance, Knowledge and Skills, and a Peer support offer. The SAB will invite Funds to nominate officers for these. The SAB also nominated a representative to the Responsible Investment Advisory Group. In addition, SAB representatives are now attending parts of the regular Scottish Funds meetings, to better exchange information and offer support.

Feedback was received from the Responsible Investment Advisory Group, looking at reporting methodology on **climate risks**, and the **Gender Pensions Gap** Working Group (with a conference on 18 June in London) were received.

The **Scheme Valuation** is being progressed by the Government Actuary’s Department. The expected timescale is that the SAB’s August meeting will look at the “Section 13” report on Fund valuations and governance, the November meeting will consider assumptions that will feed into the overall scheme valuation, and early in 2026 GAD will report on the scheme valuation outcome and if the “cost collar” has been breached or not.

The SAB received a report from the “**Good Governance**” seminar organised for Fund Board members. This was very well received, and attendees highlighted the benefits of similar events in future. The SAB working group on this will be reconvened to take outcomes forward.

The SPPA raised the upcoming deadline for Funds to submit data for **pension dashboard** and the SAB agreed to check with funds that they were on course to meet this. Likely regulatory changes around pensionable neo-natal care leave; death benefit and inheritance tax; and the increase in the Normal Minimum Pension Age from 55 to 57 (and any protections for existing members) were also discussed.

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](mailto:garethd@cosla.gov.uk) and [s.watson@unison.co.uk](mailto:s.watson@unison.co.uk).

**Further details on our website [www.lgpsab.scot](http://www.lgpsab.scot).**