2026-08
ITEM 08

Working Groups Update

Purpose:
This paper provides updates on activity from the SAB Working Groups.

Working Group	Summary of update
Good Governance Working Group	The Working Group met on 4 August 2026. The main items for discussion were the results of the 2025 Good Governance survey and proposed questions for the 2026 survey. An update on the survey and timeline is shared in Appendix A. ***Recommendation: Agree timeline and issue of 2026 Good Governance Survey***
Invest Local Working Group	The Working Group met on 6 August 2026. The main items for discussion were updates from SPPA and from Funds on a range of activities including feedback on NESPF conference on local investment, the definition of “local” and progress on the reporting template. **NESPF conference on local investment** The workgroup noted that the NESPF conference was useful and praised by attendees, it attracted around 70 people and discussed key issues for the Invest Local agenda. **“Local” Definition** The working group noted that the NESPF conference focused closely on what “local” means and how important it is for Funds to define this. The group further explained that the different definition of local investment could be applied to different asset classes and localities. More broadly it was expressed that the definition of local encompasses as invest that has a positive impact on Scotland’s economy. This definition is mentioned in the Ministerial letter of an earlier paper presented to the SAB in this meeting. **Reporting Template for local investment.** Funds had been active on providing feedback and information for the reporting template for local investment. This includes gathering

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<tr><td></td><td>information from their fund managers. Contact has been made with GAD via SPPA to support this work. A further verbal update will be provided at the SAB meeting on progress on the reporting template for local investment.

Recommendation:
1. For SAB to note the progress on the reporting template by funds (to be given at the SAB meeting).
2. Discuss any further actions for the Working Group on Invest Local, from ITEM 06 Ministerial Correspondence these were:
a) SAB Invest Local Working Group to discuss and recommend options for supporting local investment work and reporting.
b) SAB Invest Local Working Group to continue work on standard reporting template to provide requested measurable reporting.</td></tr>
<tr><td>Board References Working Group</td><td>The SAB created a working group to consider a reference from the Dumfries and Galloway Pension Board. This was under s.9 of the LGPS (Governance) Regulations 2015, whereby if there is a difference in view between the board and committee the SAB may take a view or give advice.

The working group examined and discussed the reference and the documents which were available. It noted that despite lengthy extensions, not all the evidence that was requested was provided.

Recommendation:
On this occasion, the working group recommends that the SAB issues good practice advice to Scheme Managers and Pension Boards that:
• Pension Boards have an oversight function to ensure pension committee and funds comply with regulations and legislation.
• A Pension Board can request a review of a decision by the Pension Committee
• The grounds for review should be within s.9 (2) of the governance regulations
• Administering Authorities should have a process in place to ensure any reviews are undertaken in a timely way
• If a Pension Board wishes to meet to consider a request for a review, this should be facilitated.
• Specific investment decisions are ordinarily the responsibility of the Pension Committee.
• A request for a review may not always prevent that decision from being enacted.</td></tr>
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Gender Pensions Gap	No significant update, Secretariat team exploring revision to work programme and securing a new nominated representative from the SJC committee, given previous nominees standing down as spokesperson and their role in the SJC. Future work to include scope out possible papers and identify direction. (add in further detail from February SAB paper)

Appendix A

Good Governance Survey – update for SAB

Introduction:

The Good Governance Working Group reviewed results of the 2025 Good Governance survey at its August meeting, along with a proposed set of questions for 2026.

Purpose of survey:

The 2026 survey will be circulated to members of local Pension Boards and local Pension Committees. In addition, it will be circulated to representatives of each Scottish LGPS Fund. The survey is intended to highlight good practice in governance and seek input on any issues that might affect this in the various bodies listed.

Methodology:

The survey link will be sent with an introductory email highlighting the purposes and the need to draw upon the considerable experience that has accrued in each body to inform the SAB's work. It will also be included in the SAB Bulletin and efforts will be made to encourage a good response.

The survey will be collected online using MS Forms and will show tailored questions to each respondent depending on which type of body they serve on.

Timeline:

- Paper to August SAB.
- Survey sent out end August.
- Survey close deadline – 11 October 2026 (reminders a week before close).
- Survey results written up (joint secretaries to review).
- Good Governance working group reviews results at pre-SAB meeting.
- Paper goes to November SAB.
- Results to Funds and Boards, Committees by end of the year.