

SAB Actions including Working Groups Update

Purpose

This paper provides updates on a number of agreed SAB actions including updates from Working Groups.

Good Governance Event

As noted at the SAB's October meeting, a seminar around the Good Governance Code of Practice is to be arranged, and the SAB and Pension Boards will be invited to this. The Joint Secretaries have now had the opportunity to speak to Clare Scott regarding facilitating this event. Clare has offered to provide a proposal along with a cost, which the SAB will be asked to agree. The intention is to hold the event in February 2025, likely to run from mid-morning to early afternoon, with a lunch to allow for networking. Whilst the main focus will be good governance, this will be an opportunity for engagement more widely with the SAB and Pension Boards.

If the proposal is available this will be shared for the SAB's meeting on 11th October, otherwise we can look to agree this by correspondence.

Cost Control Working Group

As the SAB agreed at the 11th October meeting, Barnett Waddingham will be joining the Cost Control Working Group for a discussion on what should be recommended to the SAB regarding adoption of a mechanism similar to that operated by the English & Welsh SAB. It is planned to have the next meeting of the Working Group in early December.

Exit Credit Working Group

The Group is meeting on Monday 11th November and a short paper/ verbal update will be provided to the SAB's meeting on 13th November.

As a reminder to Members, this is to consider what guidance the SAB could usefully provide and for this to be advised to SPPA, taking account of the developments in England & Wales and the experience of Scottish Funds.

Gender Pensions Gap

The Scottish seminar will be held on Tuesday 26th November, and invites were issued to Pension Fund contacts. Speakers include Alexandra Miles from the Pension Equity Group, Jo Donnelly (E&W SAB Secretary), and Martin Smith (GAD). The seminar is online only and will cover LGPS work that has been focussed on England and Wales, and that is where a lot of evidence will emanate from, but the Scottish SAB has highlighted the importance of developing a conversation and awareness north of the border.

Specialist Support

The Joint Secretaries met with Barnett Waddingham and discussed the areas of work agreed by the SAB at its 11th October meeting. In summary BW will deliver:

1. Produce a paper with recommendations for discussion at the Cost Control Group per above, recommendations to be agreed by the SAB.
2. To develop a discussion paper on UK Government reforms, particularly looking at the role of fiduciary duty in decisions on local investment.
3. Following a presentation by BW to the E&W RIAG on climate reporting to bring this to the SAB's Climate Risk Reporting Working Group (to be re-convened). Timing to be dependent on how this develops through the E&W SAB.

Updates from Scottish Fund representatives on E&W working Groups

SAB (E&W) Transparency Working Group – Alan Sievwright

Working Group met on 7th October. Feedback from potential suppliers and current users was summarised. General tone was that the current system was ok, but not potentially being used to full potential. No firm decisions were made for the following reasons:

1. Uncertainty on pooling/consolidation in England and Wales means not sure of the level that cost transparency would be needed.
2. Uncertainty on optimal procurement approach, SAB or Norfolk framework
3. Uncertainty on desired/optimal use of any tool (data collation v benchmarking tool)
4. Keen focus on Value for Money meant that without knowing the use, it would be hard to assess the value of each potential option.

SAB (E&W) Funding Strategy Statement Working Group – Erin Murray

An update was provided on progress with a final draft of the E&W guidance. The SPPA update at item 6 on the SAB's 13th November agenda covers this further.