

SAB Working Groups update

Purpose

This paper provides a further update on the SAB Working Groups, Good Governance Working Group and Cost Control Working Group, convened as agreed by the SAB at its November 2023 meeting.

The Working Groups are continuing to progress work, so this update as previously is for noting and any comments.

Good Governance Working Group

The SAB were advised at the May meeting that there remains a question of whether the SAB should consider guidance around the Good Governance Code of Practice. However it was felt that a more beneficial approach would be for SAB Members to attend a training session arranged with Funds and Board Members, this reflecting that more learning would support the SAB in taking views on any guidance but also ensuring Members are fully up to speed on the governance considerations arising out of the Code.

The Joint Secretaries are currently in contact with advisers to look at how best to facilitate such a seminar and with a view to arranging this during the Autumn.

Cost Control Working Group

It is anticipated that a further meeting of the working group will take place shortly. The SAB is being asked to agree a recommendation on this under item 11 Specialist Support to the SAB.

Fund Annual Reports Group

The Group has not met since the last SAB meeting. See item 12 for a further update and recommendation.

Exit Credit Working Group

The Group has not met since the last SAB meeting. However there have been several discussions with the joint secretaries with SPPA and the English & Welsh SAB secretariat. It is noted that Exit Credit amendment regulations are on pause and that SPPA would like to introduce these alongside further guidance. Issues centre around timing and benefit as a result of bodies exiting, where there are Fund surpluses. With regards to England & Wales, Funding Strategy guidance will set out what needs to be considered. The SAB has been raising this with the UK Ministry of Housing, Communities and Local Government, but there has been reluctance to engage around this. There has also been a High Court judgement in this area.

The working group will be re-convened shortly to further 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.