

Summary note of (hybrid) meeting held on 6th June 2022

Full details of the meeting and agenda papers can be found on the [board meetings page](#).

The minutes of the meeting on 7th March were approved.

The main points arising from the meeting are shown below:

SAB 2022/23 Workplan and Budget - The Board approved the budget and workplan for 2022/23. Members were advised that the workplan comprised the main ongoing workstreams and that there is flexibility to develop it in more detail and to include new workstreams that might develop during the year, for example, further work on fiduciary duty arising from DLUHC's consultation on levelling up, TCFD reporting, etc. Members were informed that a second Pensions Secretary will join the LGA on the 20th June to help provide the resources necessary to implement the agreed workplan. The Chair also suggested that provision for a workstream on the participation of academy schools in the Scheme should also be included, reflecting the Government's ambition for full academisation by 2030.

Forward Look Update - Members were informed that the Board had agreed to establish a small steering group to steer the Board's agenda and to put it on the front foot on key issues. Membership of the group will include Cllr Roger Phillips, Jon Richards, Cllr John Fuller and a treasurer and practitioner representative. The group will meet for the first time shortly and will report to the next SAB meeting in October 2022.

SAB/Committee Membership – The Board approved a number of appointments to the Board and both committees that do not require formal approval from the Secretary of State. These included the nomination of George Graham (South Yorkshire Pensions Authority) as the Board's practitioner representative following Rachel Brothwood (West Midlands Pension Fund) standing down; Jeff Dong (Swansea Council) as the replacement for Mark Wynn (Cheshire West and Chester) as the treasurer's representative on the Investment, Governance and Engagement Committee and Glyn Jenkins (UNISON) replacing Colin Meech (UNISON) as a scheme member representative, also on the Investment, Governance and Engagement Committee.

Queen's Speech Update – The Board was informed that a number of government Bills relevant to the LGPS were introduced in the Queen's speech including the Boycotts, Divestment and Sanctions Bill, the Levelling Up and Regeneration Bill, the Schools Bill and Private Sector Audit Bill.

Compliance and Reporting Committee Report -The Chair of the committee reported to the Board details of the meeting held on the 9th May. Members were reminded that the new committee was established to take on the work of the former CIPFA Pensions Panel and on that basis would have a dual reporting role to both

this Board and CIPFA. The committee will be meeting on the 27th June to discuss how that dual reporting role will work in practice. The Board was invited to approve a draft workplan prepared by a small working group within the committee which highlighted the need for the committee to work alongside the other committees and groups in taking it forward. The draft workplan consisted of three sections: those workstreams that could be commenced immediately; those workstreams that couldn't commence immediately because they are contingent on actions being taken outside of the committee and those workstreams that are initiated solely by CIPFA. The Board approved a recommendation from the committee that the SAB Chair should send a letter to the Minister expressing concerns around external audit and proposing a potential remedy, the separation of pension fund accounts from main local authority accounts, as had already happened in Wales and Scotland. The Chair agreed that sending this letter could be a significant step forward in resolving the significant delays in accounts being signed off.

Investment, Governance and Engagement Committee Report - As part of the report to the Board members were advised that the Responsible Investment Advisory Group had reported to the committee various concerns around the forthcoming public consultation on TCFD reporting. The committee heard that the LGPS was falling behind the private sector on this issue, with TCFD reporting for private sector pension schemes already moving forward. A consultation on the reporting framework for LGPS is expected in the Autumn which will include a number of mandatory metrics potentially including carbon intensity, data quality and whether the associated global temperature increase aligned with the outcome of the Paris Agreement. There was discussion about the difficulties in reliably assessing the impact of investments and the importance of having a compelling narrative to explain what is an inherently complex issue. The Scheme was likely to come under scrutiny for its performance against climate-change metrics and the Board was asked to develop proposals for how funds could be encouraged to report on a consistent basis so that a Scheme wide report could be produced.

AOB - The Board was advised that there were 20 levy payments outstanding. The Board was informed that despite their apparently positive response in May to the earlier letter from the Chair, there remained significant issues with administration and payment of benefits by Prudential in relation to its AVC contracts. The Board was asked to consider what more could be done to pursue this matter. It was agreed that the Chair would consider next steps with the Secretariat. The additional information Michael Lynk, the then UN Special Rapporteur on Human Rights in the Occupied Palestinian Territories, undertook to provide at the meeting in January has now been received. The Board invited the Chair to reply to the letter from the UK Lawyers for Israel group asking for amendments to be made to the Board's statement on its earlier meeting with Mr Lynk. The Chair agreed that a reply would be sent.

Date of Next Meeting – 10th October 2022