

## LGPS Scheme Advisory Board Summary note of (hybrid) meeting held on 22nd July 2024

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

The minutes of the meeting on 11th March were approved.

The main points arising from the 22nd July meeting are shown below.

The Board received an update on work to implement the **McCloud remedy**. MHCLG is planning to make regulations to remove the requirement to include McCloud information in the 2023/24 annual benefits statements and allow a discretion not to include the information in the 2024/25 statements for certain members. The regulations need to be made before the 31 August 2024 to avoid LGPS administering authorities needing to report a breach of the law to the Pensions Regulator.

**Post meeting update:** the regulations were laid on 28 August 2024.

The **Kings Speech** did not contain any legislative plans that would affect the LGPS directly, although there will be a Pension Schemes Bill and a Bill creating the National Wealth Fund which are of interest. The creation of the National Wealth Fund appears likely to lead to greater co-ordination between the British Business Bank and the UK Infrastructure Bank, which would be positive.

The Board also noted that the draft Audit Reform and Corporate Governance Bill (which would create a new accounting regulator – the Audit, Reporting and Governance Authority – to replace the existing regulator, the Financial Reporting Council) would be a possible vehicle to effect separation between pension fund and host authority audit, as had previously been recommended to the Government by the Board.

Cllr Phillips has sent a [welcome letter](#) to the new Local Government Minister, Jim McMahon MP. The letter set out some of the Board's priorities, including carrying on the work already done under the previous administration to take forward the **Good Governance** recommendations. The Board also agreed to hold quarterly calls with Pension Committee Chairs and to invite the Minister to one of these.

At the time the Board met, there was little information on the scope of the **Pensions Review**, but more detail is now becoming available. However, it was known that the Government did want pooling to be completed by 31 March 2025 and had threatened to legislate if this did not happen.

Joanne Donnelly, Board Secretary, had attended the **Roundtable** that was arranged with the Chancellor, Pensions Minister and Local Government Minister. This was held just before the Board meeting and Chris Rule from LPPI and Rachel Elwell of Border to Coast had also been present for the LGPS, alongside representatives from the wider pensions and investment industry. The Board felt that there was a need to manage expectations about how far LGPS funds could be relied on to support government policy objectives. There could be overlaps of interest but the clear priority for funds is to make sure they can pay pensions as they fall due.

The Board agreed to draft and then issue a statement on **responsible investment**, given the increased volume of representations being made to funds about how LGPS funds are invested. The Board also discussed seeking an opinion from Counsel as to whether there is a need to update the [previous advice](#) received on the nature of fiduciary duty for LGPS administering authorities.

The Board received an update on compliance with the **Code of Transparency** and the provision of the associated data system. The current contract comes to an end in August 2026 and thought was being given to the future development of it. An Early Market Engagement event for potential future suppliers was held on 7 July and provided helpful information to inform decisions. A survey of fund investment officers would launch in September with the working group and executive panel meeting in October to take stock of the situation.

It was noted that the [2023 Scheme Annual Report](#) had been published, following the launch by Cllr Phillips at the PLSA's LGPS conference in June.

The Board agreed to start recruitment for an additional Secretariat team member to support the Board across a range of areas but primarily to develop a **LGPS peer support offer**, consistent with the Board's Good Governance recommendation on external governance reviews. This role would be advertised under the #LGPSjobs initiative.

The Board also heard that good progress had been made in revising the **Funding Strategy Statement guidance**, previously issued by CIPFA in 2016. It was hoped that this would go through the Board's and CIPFA's clearance processes in the Autumn and be adopted as statutory guidance by the Minister before the end of the calendar year. The Board thanked all of those who had volunteered their time to help update this important document.

Date of Next Meeting – 25<sup>th</sup> November 2024.