

Compliance and Reporting Committee

MEETING OF THE 14th NOVEMBER 2022

Item 3 Paper A

HYBRID MEETING HELD ON 5th SEPTEMBER 2022

ACTIONS AND AGREEMENTS

PRESENT

Mark Wynn	Chair – County Treasurers
Jeffrey Dong	Welsh Treasurers
Ian Williams	London Treasurers
Karen Gibson	Practitioner – County Councils
Rachel Brothwood	Practitioner – Metropolitan Authorities
Kevin Gerard	Practitioner – Welsh Councils
Richard McIndoe	Practitioner – Scottish Authorities
Nicola Todd	Practitioner – Northern Ireland
Paul Mayers	National Audit Office
Stephen O'Hagan	Audit Scotland
Nick Harvey	CIPFA
John Jones	Local Pension Board Representative
Fiona Miller	LGPS Pools Representative
John Neal	UNITE
George Georgiou	GMB
Peter Worth	Adviser
Teresa Clay	DLUHC
Joanne Donnelly	LGA – Board Secretary
Jeremy Hughes	LGA – Deputy Board Secretary
Bob Holloway	LGA – Pensions Secretary
Ona Ehimuan	LGA – Pensions Secretary
Gareth Brown	LGA – Pensions Analyst

Items 1 & 2. Welcome, apologies, introductions and meeting protocol

1. Mark Wynn (MW) welcomed members to the meeting and noted Jon Richards' (UNISON) departure from the committee. He thanked Jon for his contributions during his time as a committee member.

2. Apologies were received from John Cornett (Audit Scotland) and Nemashe Sivayogan (Practitioner - London Borough). Stephen O'Hagan (Audit Scotland) attended the meeting in John's place.

Item 3. Matters arising from the meeting of the 27th June 2022

4. Rachel Brothwood suggested that the wording of paragraph 20 on page 5 of the minutes be changed from 'asset allocation' to 'asset share' for greater clarity. The minutes of the meeting on the 27th June 2022 were then agreed.

Scheme Advisory Board Secretariat

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Compliance and Reporting Committee

Item 4 – CIPFA update

5. Nick Harvey (NH) explained that the last iteration of the FSS guidance was published over five years ago and that CIPFA were in the process of updating the guidance. There was no detail on what the new version would look like due to personnel changes. CIPFA were looking to engage Isio, one of CIPFA's strategic partners, to contribute to this workstream. It was also noted that the implications of the recently launched TCFD consultation would need to be reflected in the new version of the guidance. The Secretariat added that it was important to consider how the climate risk reporting workstream feeds into the work of the CRC and bring the two streams of work together. JD confirmed that the Responsible Investment Advisory Group would lead on the response.

7. In terms of the FSS guidance, the Secretariat also mentioned that they were exploring how to make guidance more accessible in the future and stated that it was not expected that there would be a fee attached to the guidance, or anything produced by the Committee. As SAB is funded through a levy paid by administering authorities any guidance published by SAB would be available free of charge otherwise it could be argued that funds are paying twice for guidance/support. DLUHC expressed concerns about responsibility for drafting statutory guidance being outsourced by CIPFA. In response NH clarified that Isio would be contributing to the drafting of the document but CIPFA would retain the ownership of the content if it carried the CIPFA badge.

7. NH mentioned the issue of external auditor challenges to pension fund accounts (as discussed in the previous meeting, see paras 18-20 of Actions and Agreements Note). RB reiterated this sentiment, stating that there was no perfect solution to the issue. Peter Worth (PW) asked whether this has been discussed at the National Audit Office Technical Group. Paul Mayers (PM) said that this was not an issue raised at the Group, but he would invite NH to the next Group meeting to raise the issue there.

Agreed – that NH will provide an update to the committee on the auditor challenge issue after attending the next NAO group meeting.

Item 5 - Committee Workplan

MW opened the discussion by explaining that the workplan has now reached the stage of exploring ways to move the workstreams into deliverable propositions. He invited the committee to contribute ideas on ways to begin developing the workstreams. The Chair would arrange some 1:1 calls outside of the meetings to get agreement for committee members to lead on particular items and set themselves some deadlines. It was noted that this work-planning needed to be completed in time to report back to the next SAB meeting on 10 October.

Compliance and Reporting Committee

JH explained that Annex B contained questions for the FSS guidance survey. There is a list of pension officers that can be used but suggestions for additional recipients to broaden the audience to other users would be welcomed. PW asked whether it would be worthwhile sending the survey to employer bodies. He also asked whether there would be any sample checking because when subject to self-evaluation, people tend to overscore themselves.

TC suggested that the entire FSS guidance document could do with updating and should reflect what practitioners need and want, but that the committee needs to do some work to agree the elements that need to be included and those that need to be complied with. In response to this, MW said that it should be stated that if the guidance is revised, there should be a compliance regime to support it. RB added that it needs to be made clear how the guidance is expected to be used. It was agreed, subsequent to JH's request, that any drafted comments on the workplan be submitted within 1-2 days to the SAB secretariat.

With regards to volunteers for workplan items, Bob Holloway (BH) explained that the lead bodies for each workstream have been more or less decided, however the lead officers for the workstreams should be volunteers from the committee. PW said that subject to the confirmation of his workload, he would be happy to volunteer but mentioned that he had also volunteered for the Annual Report Guidance workstream.

PW asked whether the workstream for annual report guidance relates to the production of statutory guidance or examples for best practice. JD explained that the aim is that both will be produced, either as a combined document or two separate documents.

On Section 2 (workstreams arising from government consultations), TC explained that ministers have agreed to take forward proposals laid out in the Good Governance report and there will be a period of consultation commencing in due course.

JN asked for an update on Exit Pay Reform and that there be consideration of the trade unions when conducting the consultations. TC agreed that there will be a conversation on consultation arrangements with Trade Unions once they had received a steer from new ministers on how they wanted this taken forwards.

Agreed – that any drafted comments on the workplan be submitted within 1-2 days to the SAB secretariat.

Compliance and Reporting Committee

Item 6. Any Other Business and date of next meeting

JH informed the committee that DLUHC's TCFD consultation has launched; the closing date will be the 24th November 2022. The response would require some input from this committee, as there is a compliance and reporting element to the proposals.

JH informed the committee that RIAG has asked for a survey of funds on the skills and knowledge required to discharge the new climate reporting functions. For example, funds may be asked to complete TCFD templates which is new territory for many funds. The results of this would also be worked into this Committee's "Knowledge and Skills" workstream.

The date of the next meeting was confirmed as the 14th November 2022.

Ona Ehimuan

Pensions Secretary

7 September 2022