

# Scheme Advisory Board

## **HYBRID MEETING – 17<sup>th</sup> July 2023**

### **ITEM 14 – PAPER H**

#### **INVESTMENT, GOVERNANCE AND ENGAGEMENT COMMITTEE**

#### **CHAIR'S REPORT FROM MEETING OF 3<sup>rd</sup> JULY 2023**

##### **Sharia Compliance**

1. The Board has awarded a contract to Amanah Advisors Ltd to produce a report reviewing the scheme according to Sharia principles. This was recommended in legal advice from Counsel, so that they could advise on whether the scheme was consistent with administering authorities' anti-discrimination and public sector equality duties. The report is expected in the late summer.

##### **Code of Transparency Next Steps**

2. The Board has set up a series of free regional training sessions for local pension board and committee members and fund officers on investment cost transparency. The first session of the series was held on 21<sup>st</sup> June 2023 in London and was highly successful with a number of engaging conversations. The Secretariat continue to promote these sessions and the next one will be held on 11<sup>th</sup> July 2023 in Manchester.

##### **Provision of Code of Transparency Online Compliance System**

3. The Committee considered a confidential paper outlining the current position with regards to the online CoT reporting system that was procured in 2019. The Board had asked for advice on options and timings so that it could begin making strategic decisions. A separate confidential paper on this is being provided to the Board.
4. In discussing the paper, it was agreed that the Code of Transparency had been a success and was now embedded in the sector. The Committee noted that the Code and the associated templates produced by the Cost Transparency Initiative (a joint venture between the Board, PLSA and the Investment Association) were important in addressing the asymmetry of information in the investment industry.

##### **Climate Risk Reporting**

5. A pool-level working group has been set up and met for the first time on 31<sup>st</sup> May 2023 with representatives from each of the 8 pools attending. The group is looking to build a common approach to climate risk reporting and avoid unnecessary duplication of effort.
6. DLUHC officials said that they were still reviewing the responses to last year's [consultation](#) but it was likely now that any changes would take

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effect from 2024/25 at the earliest. This has now been confirmed by the [Minister in a letter to the SAB Chair](#). The consultation covering Levelling Up, next steps on pooling and other LGPS investment policy issues is expected to be released before Summer 2023 recess (20 July).

**Recommendation – that SAB notes the progress made by the committee on the issues set out above**

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