

# Scheme Advisory Board

## **HYBRID MEETING – 6<sup>TH</sup> JUNE 2022**

### **ITEM 10 PAPER F**

#### **INVESTMENT, GOVERNANCE & ENGAGEMENT COMMITTEE**

#### **ACTIONS AND AGREEMENTS FROM MEETING OF 23<sup>rd</sup> MAY 2022**

#### **PRESENT**

Cllr Yvonne Johnson	Chair – L.B. Ealing
Cllr Robert Chapman	LAPFF
Peter Wallach	Practitioner
Rodney Barton	Practitioner
Nick Buckland	Practitioner
Sandra Stewart	Greater Manchester Pension Fund
Pete Smith	Actuaries (Barnett Waddingham)
David Walker	Actuaries (Hymans)
Alison Murray	Actuaries (Aon)
Kieran Harkin	Actuaries (Mercer)
Glyn Jenkins	UNISON
Oliver Watson	DLUHC
Fiona Miller	Pool Operating Companies
Christophor Ward	Government Actuary's Department
Jonathan Hunt	Adviser, LGA
Joanne Donnelly	Senior Pensions Secretary, LGA
Jeremy Hughes	Deputy Pensions Secretary, LGA
Bob Holloway	Pensions Secretary, LGA
Gareth Brown	Pensions Analyst, LGA

# Scheme Advisory Board

## **APOLOGIES**

Apologies for absence were received from George Georgiou, Gary Delderfield, Lisa Colquhoun and Mark Wynn.

## **Welcome, introductions and declarations**

1. The Chair welcomed all in attendance and introduced Jeremy Hughes, formerly of DLUHC, who has replaced Jo Donnelly as Deputy Pensions Secretary and Christopher Ward from GAD who has replaced John Bayliss.
2. The Chair advised members of the virtual meeting's protocol.

## **Item 3 - Actions and agreements from meetings of 21<sup>st</sup> February 2022**

3. The minutes of the meeting were agreed.

## **Item 4 – Queen's Speech Update**

4. Jo Donnelly (JD) briefed members on a number of Bills announced in the Queen's Speech that will be of relevance to the LGPS including the Levelling Up and Regeneration Bill and the Boycotts, Divestment and Sanctions Bill.
5. On the BDS Bill JD explained that the Communities Secretary already has a power under the Public Service Pensions and Judicial Offices Act 2022 to issue directions or guidance on investment decisions that conflict with UK foreign policy but that the power is unlikely to be exercised whilst the BDS Bill progresses through its Parliamentary stages. Members were also advised that the scope of the BDS Bill will be wider than the existing power under the PSPJO Act to cover all public bodies and purchasing and procurement as well as investment policies and decisions.

**Agreed – That the committee noted the position as set out above.**

## **Item 5 – SAB Forward Look**

6. JD explained to members that after five years in operation the time was right for SAB to reviews its own scope, role, working methods and future workplan. A number of meetings with Board members have been held with an emerging consensus that SAB needs to be more proactive in its activities, work more closely with Ministers in taking forward its

# Scheme Advisory Board

programme and to improve the way in which it communicates with scheme stakeholders.

7. Members were advised that SAB is to be recommended to set up a small steering committee comprising the Chair, Vice-Chair and an employer representative, to meet on a regular basis to better manage the Board's activities and work programme. It will also be asked to agree a recommended that it should publish an annual report of its activities, achievements and workplan to accompany the scheme annual report.

8. The Secretariat will prepare a paper for SAB to consider when it meets on the 6<sup>th</sup> June 2022.

**Agreed – That the committee noted the position as set above.**

## **Item 6 – Code of Transparency Compliance Update – Paper B**

9. Jonathan Hunt (JH) informed members that Paper B is updated at each committee meeting to give members information about the extent of compliance against the Code and to highlight any particular areas of concern.

10. Fiona Miller (FM) asked whether the high number of delayed responses was due to difficulties in completing private market templates. In response, JH explained that that the issue was more to do with templates being adapted to fit more closely with managers' systems which led to them being rejected when uploaded. Discussions with companies and Byhiras are ongoing to resolve the matter. JH stressed that this was just a procedural problem and that the data needed was available and that companies are happy to disclose it.

**Agreed – That the committee noted the position as set out in Paper B**

## **Item 7 – Letter from Michael Lynk/UKLFI**

11. Bob Holloway (BH) presented Paper C and advised members that the Secretariat still awaited the additional information regarding the UN database that Michael Lynk undertook to provide at the meeting in January.

12. Members were further advised that in response to the SAB Chair's letter to UK Lawyers for Israel (UKLFI) explaining that attending the meeting in January is not to be taken as agreement with any of the statements made by Michael Lynk in his initial letter to administering

# Scheme Advisory Board

authorities, UKLFI had responded by asking the Chair to amend the statement on the SAB website. After discussion with the LAPFF Chair, members were advised that a decision had been made not to engage further with UKLFI until such time that the information requested from Michael Lynk has been received or it is clear that it will not be sent. Michael Lynk's office has been chased twice for a reply but a response is still awaited.

13. Rodney Barton (RB) asked whether Michael Lynk has lost interest in the matter. In response, BH said that the recent evidence suggests that that may be the case but that the same cannot be said for UKLFI.

**Agreed – that the committee noted the position as set out above.**

## **Item 8 – RIAG Chair's Report**

14. Sandra Stewart (SS), RAIG Chair informed members that the Group had been given an update on relevant Bills in the Queens Speech including the Levelling Up and Regeneration Bill and Boycotts, Divestment and Sanctions Bill.

15. Members were also informed that the Group discussed at length the Michael Lynk letter and concluded that the lack of response from him was difficult to understand given the simplicity of the questions asked of him.

16. The Group also considered a recent High Court case (Butler-Sloss and others v Charity Commission for England and Wales and another) that may be of relevance to how fiduciary duty applies in the context of the LGPS.

17. SS reported that the rest of the meeting was given up to a discussion with DLUHC regarding the forthcoming public consultation on levelling up and TCFD reporting amongst other things. On levelling up SS explained that the consultation was now expected in the Autumn this year but that it was made clear to DLUHC that a better response would be achieved if a few of the major elements were separated out and consulted on earlier.

18. Councillor Robert Chapman (RC) urged DLUHC not to delay implementation of TCFD reporting longer than necessary as many fund authorities are delaying setting their net zero targets until the reporting framework is in place and guidance published. RC also referred to the case law mentioned at paragraph 16 above and asked whether this could assist in resolving any uncertainty around the

# Scheme Advisory Board

fiduciary duty owed by LGPS pension committee members. In response BH explained that SAB had consulted on this back in 2019 but that no definitive answer had been forthcoming. JD further advised that the answer may emerge during passage of the BDS Bill.

**Agreed – that the committee noted the position as set out above.**

## **Item 9 – DLUHC Regulatory Update**

19. OW reminded members that the forthcoming public consultation is now likely to be published in the Autumn and will cover a range of elements including TCFD reporting, levelling up, the CMA Order and pooling guidance for administering authorities. In addition, a data collection exercise on how many assets have been pooled with the aim of creating a consistent scheme-wide picture of progress is proposed. It is not certain at this stage whether the data would be collected from pools as now or collected by SAB.

20. FM asked OW if the request would be with the pools rather than funds. OW confirmed that that would be the case. FM then asked if the guidance would apply to pools. OW confirmed that this could not be the case and that the guidance would apply to fund authorities.

**Agreed – that the committee noted the position as set out above.**

## **Item 10 – AOB and date of next meeting**

21. BH advised members that Mark Wynn has decided to stand down from the committee to afford more time to the new Compliance and Reporting committee that he now Chairs. BH explained that an informal approach has been made to Jeffery Dong, Deputy s.151 officer at Swansea Council to replace Mark as the Treasurer's representative on the committee. Members were advised that if Jeffery Dong declines the invitation administering authorities will be invited to put names forward with the committee then making a recommendation to SAB.

22. BH also advised members that Glyn Jenkins (UNISON) has replaced Colin Meech as a scheme member representative.

23. Date of the next meeting is 19<sup>th</sup> September 2022.

\* \* \*