

Investment Committee

Hybrid Meeting – 10 November 2025

Item 7 – Paper D

New Pooling Steering Group

Background

1. [The Government's response to the Fit for the Future consultation](#) and incoming [Pension Schemes Bill](#) have confirmed the changes to be made in the way assets are pooled and managed in the LGPS. These changes represent a major change in the Scheme's operating model, and the Board agreed at its last meeting that we need to consider its own arrangements to reflect the changing role(s) in order that the Board can continue to fulfil its statutory duties.
2. In particular, the Secretariat were asked to consider the ways that the relationship between the Board, its sub-committees and groups and the pools could develop a closer formalised link to facilitate discussions and collaborative thinking on key topics and issues as they arise.

Considerations

3. To enable the Board and its Committees to engage in a more comprehensive and systematic way with the pools, the Secretariat is proposing to establish a new Pooling Steering Group. This group would report directly to the Investment Committee and through them to the Board, in a similar fashion to the Responsible Investment Advisory Group. However, the group will differ in that it will not operate as an advisory group and will instead provide a forum for collaborative discussions, including provision for input from the Board as well as from scheme member and employer representatives.
4. It is envisioned that the membership of this Group will include the Board Chair, company representatives from each asset pool, representatives from the relevant Board sub-committees, scheme member representatives and an official from the Ministry for Housing, Communities and Local Government. Also included in the proposed membership group is a special interest representative, which the Secretariat envision being a governance consultant, and a wider industry representative which remains open for discussion. The Secretariat also proposes the inclusion of a representative from this group on the Responsible Investment Advisory Group (RIAG). This is to reflect that while each fund will continue to set its own responsible investment policy, the implementation of it will fall to pools.

Investment Committee

5. A draft Terms of Reference (Annex A) has been circulated to the Committee confidentially pending approval by the Board at its next meeting on 24 November 2025.

Recommendation: That the Committee consider this report and submit the draft Terms of Reference to the Board for approval at its next meeting on 24 November 2025.