

## **Pension Advisory Board**

**20 November 2019**

### **Regulations and Guidance Update**

#### **Report by the Chairman of the Pension Advisory Board**

##### **Executive Summary**

Members of the Pension Advisory Board (PAB) are required to maintain a suitable level of knowledge and understanding in relation to the Scheme Regulations and Guidance.

This report provides an update on issues covered by the LGPC bulletins, by the Scheme Advisory Board at its meetings, and other guidance.

##### **Recommendations**

The Board is asked to note the current issues relating to Scheme Regulations and Guidance.

#### **1. Knowledge & Skills Resources**

- 1.1 Access to the LGPS website remains the primary source of information on the LGPS regulations and guidance, and to changes under consideration or consultation. There are no new regulations of which Board members should be aware.

#### **2. LGPS Bulletins**

- 2.1 Since the May meeting report was prepared, LGPC have issued three bulletins and brief details of these, together with a brief status report on any action required, including past bulletins, are set out in **Appendix A**. Full details are available on the LGPC website.

#### **3. Scheme Advisory Board**

- 3.1 The next meeting of the SAB is due to be held on 7 November 2019 and the outcome of their discussions may not be available before the Board meeting.
- 3.2 The key items on their agenda include the good governance review, guidance on responsible investment, UK Stewardship Code, member representation on pools, the CMA Order and tPR's report on engagement with ten LGPS funds. Some of these items are covered elsewhere on the agenda and further information is available on the website.  
[[www.lgpsboard.org](http://www.lgpsboard.org) "Board Publications" section].

#### **4. Guidance**

- 4.1 **MHCLG draft guidance on pooling** - There appears to have been no further information issued by MHCLG on this consultation although there are suggestions that draft guidance may be issued for consultation before the year end and for implementation on 1 April 2020.
- 4.2 **The Investment Consultancy and Fiduciary Management Investigation Order 2019** – As reported previously, the application of this order to LGPS funds has not been clear. However, it has been announced recently by SAB that Remedy 7 (obligation to set strategic objectives for investment consultants) will apply and comes into force on 10 December. An oral update will be given at the meeting.
- 4.3 **Responsible investment guidance from SAB** - Draft guidance is due to be considered by SAB on 7 December. An extract from the agenda papers is set out in **Appendix B**.

#### **5. Equality Impact Review**

- 5.1 An Equality Impact Review is not required as there are no relevant decisions to be taken.

#### **Peter Scales**

Chairman of the Pension Advisory Board

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#### **Appendices**

Appendix A - Knowledge & Skills Resources - LGPS Bulletins

Appendix B – Extract from Scheme Advisory Board meeting agenda for 7 December 2019 on responsible investment guidance

#### **Background papers**

None