

Pension Advisory Board

26 February 2020

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, by the Pensions Regulator 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 November meeting, 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 [www.lgpsregs.org/ "LGPC Bulletins"].

3. Scheme Advisory Board

- 3.1 The most recent meeting of the SAB was held on 3 February 2020 but the outcome of their discussions is not yet available online.
- 3.2 The key items on their agenda were mainly covering updates on the good governance review (see agenda item 10), the 2020/21 SAB Budget and workplan, regulation changes post-McCloud, changes to the pensions administration strategy requirements, draft guidance on responsible investment (extending the consultation to 31 January), and member representation on pools. Further information is available on the website. [www.lgpsboard.org under Board meetings]

4. The Pensions Regulator

- 4.1 In a similar way to the LGPS website, access to the Pensions Regulator's website provides a valuable source of information about the regulation of public service schemes, roles and responsibilities, and codes of practice and guides. A summary of the key areas of information available is set out in **Appendix B** together with access details for the website.

5. Guidance

- 5.1 **MHCLG draft guidance on pooling** - No further information has been issued by MHCLG on this consultation although there are suggestions that draft guidance may be issued for consultation soon. This guidance is likely to introduce significant compliance requirements in relation to pooling and will need to be considered by the Board.
- 5.2 **Responsible investment guidance from SAB** - Draft guidance was issued for consultation in December for response in January and a copy is attached as **Appendix C**. This first set of guidance sets out the legal background to decision-making in relation to responsible investment and as such is a useful reference. The County Council's consideration of the matter is covered under Part II of the agenda. The second set of guidance is being drafted which aims to give more information about how funds should manage their investments.

6. Equality Impact Review

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

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Chairman of the Pension Advisory Board

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Appendices

Appendix A - Knowledge & Skills Resources - LGPS Bulletins

Appendix B - Information on the Pensions Regulator's website

Appendix C - Scheme Advisory Board responsible investment guidance Part I

Background papers

None