

# Investment, Governance and Engagement Committee

**Meeting – 15 May 2023**

**Item 6 – Paper D**

## **Report into Sharia Compliance in the LGPS**

### **Recommendation:**

- **That the Committee note that position laid out below**

### **Background**

1. The Board accepted the IGE Committee's recommendation, made at its last meeting, to commission a report into Sharia Compliance in the LGPS.
2. The commission is to produce a report which will examine from a Sharia perspective the legal structure of the LGPS as a defined benefit, statutory public sector scheme, where the member's benefits are guaranteed and based on length of service and salary (and as such are not related to the performance of the underlying funds). The report will also look at whether there is any contradiction between the principles of sharia law and membership of the Local Government Pension Scheme for a Muslim local government employee in the UK.

### **Considerations**

3. Following the Board's decision, the Secretariat issued an [invitation to tender](#) which closed on 9th May 2023. An evaluation panel has now been convened, comprising:
  - Jo Donnelly, SAB Secretary
  - Jeremy Hughes, Deputy Board Secretary
  - Ona Ehimuan, LGA Pensions Secretary
  - Simon Taylor, WMPF and Board Committee member
4. The panel are currently assessing the bids and we expect that we will be in a position to award the contract to our initial successful bidder in time for the commencement of the contract on 29<sup>th</sup> May 2023. We expect that the report will take no more than three months to produce.
5. Once we receive that report, this Committee will need to consider whether we need some additional legal advice to that [already received](#) and whether there is a need to make any recommendations for amendment of the Scheme to avoid any unlawful discrimination arising, e.g. due to some employees feeling it necessary not to join the scheme because of their religious belief.