

# Investment, Governance and Engagement Sub Committee

## Item 2 – Paper A

### ACTIONS AND AGREEMENTS

**MEETING HELD ON 25th MAY 2017 – 2.00pm**

**At Pensions & Investment Research Consultants Ltd (PIRC)**

**Exchange Tower, 8th Floor, Suite 8.02, 2 Harbour Exchange Square,  
London E14 9GE**

### PRESENT

Cllr Kieran Quinn	Chair
Bob Holloway	SAB Secretary
Geik Drever	CIPFA
Mark Wynn	Treasurers
Colin Meech	Members (Unison)
Danny Hoggan	Members (Unite)
Annemarie Allen	Actuaries (Barnett Waddingham)
Nigel Thomas	Actuaries (Mercer)
David Walker	Actuaries (Hymans)
Colin Cartwright	Actuaries (Aon Hewitt)
Liam Robson	LGA

### APOLOGIES

There were apologies from Ian Greenwood, Rodney Barton, David Anthony, George Georgiou, and Dave Harrison, all other members (or substitutes) were present.

#### 1. **Welcome, introductions and apologies**

The Chair welcomed all in attendance to the meeting.

#### 2. **Matters arising (Paper A)**

The minutes of the previous meeting were agreed, subject to the addition of a note that the Local Board survey would be circulated to committee chairs and trade unions, and amendments to wording carried forward from previous meeting items.

#### 3. **Markets in Financial Instruments Directive (MIFID) II - Update**

The committee noted that purdah had ruled out a Financial Conduct Authority (FCA) announcement until mid-June, therefore the outcome of the last consultation was still unknown. Legal instruction had been drawn up as a back stop measure.

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## 4. Pooling investments – Update

The Chair reported back from the Cross Pooling and Collaboration Group (CPCG) that had met earlier in the day. There were discussions around the limit to which minutes could be published due to commercially sensitive matters, and how the remit of the cross pooling group will change as funds transition assets into the pool.

**AGREED – that the above would be reported at Board level.**

## 5. Cost Transparency

An update on the Code of Transparency was provided. It was noted that at the Board meeting of 26<sup>th</sup> June there would be a more developed paper based on the “Glass-brick” proposal provided by Chris Sier at the March Board meeting. The committee considered that progress would need to be monitored and eventual mandating may be required.

## 6. Responsible investment guidance (Paper B)

The committee noted the investment guidance paper. It was proposed that the guidance paper should be provided to the Department of Communities and Local Government (DCLG) with the intention of their using it to update the Investment Guidance.

**AGREED – that the committee should provide comments via email by 16<sup>th</sup> June 2017**

## 7. Local Pensions Board survey

The committee was presented the draft Local Board Survey at its previous meeting, which had been updated to be published online shortly following the meeting.

**AGREED – that the committee should receive an update on results at the next meeting**

## 8. The Pensions Regulator (TPR) survey (Paper C)

The committee noted the paper and that the regulator may take enforcement action where scheme managers have not taken sufficient action to address issues or meet their duties.

## 9. Responsible Investment - Climate risk (Paper D)

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ShareAction and Client Earth had submitted a referral to TPR regarding "climate risk". Following a meeting between ShareAction, Client Earth, DCLG and TPR, TPR stated that its role in the regulation of LGPS investment was not in compliance with investment regulations but in investment governance. It was noted that it was the intention of the Chair of the SAB to write to TPR regarding this matter.

**AGREED – the committee noted the contents of the referral note to the TPR and tasked the Secretariat in keeping members fully informed of future developments.**

## **10. Dates of next meeting**

The date of the next meeting was agreed as 26<sup>th</sup> July 2017, to be held at Unison offices, and the following meeting to be held at Barnet Waddingham.

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