Responsible Investment Advisory Group

Hybrid Meeting (MS Teams and Room 6.5, 18 Smith Square)
3rd February 2025 – 11.00am – 12.30pm

Agenda

Item		Paper	Timing
1	Welcome, introductions and apologies		11:00
2	Actions and Agreements from 2 December 2024	**Paper A**	11:05
3	Climate Risk Reporting – reporting principles from Funding Strategy Statement guidance	**Paper B + Annex A**	11:10
4	Legal advice on fiduciary duty	**Paper C**	11:30
5	LGPS Fit for the Future consultation	**Group discussion**	11:40
6	Ministry of Housing, Communities and Local Government (MHCLG) update	**Verbal**	12:00
7	RIAG Terms of Reference update	**Paper D + Annex A**	12:10
8	AOB and date of next meeting		12:20

Scheme Advisory Board Secretariat
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Responsible Investment Advisory Group (RIAG)

Hybrid Meeting – 3 February 2025

Item 2 Paper A

Actions and Agreements 2 December 2024 (Online meeting)

In attendance –

Name	Organisation
Sandra Stewart	Greater Manchester Pension Fund – Chair
George Graham	South Yorkshire Pension Authority
Tom Harrington	Greater Manchester Pension Fund
Rachel Barrack	Wales Pension Partnership (Hymans Robertson)
Tim Mpofu	Haringey Pension Fund
John Neal	UNITE
Jonathan Sharma	Convention of Scottish Local Authorities (COSLA)
Kenny Dick	Representing Scottish Scheme Advisory Board (SSAB) (Employer representative, The Care Inspectorate)
Jeremy Hughes	Local Government Association (LGA) – Senior Pensions Secretary
Ona Ehimuan	LGA – Pensions Secretary
Becky Clough	LGA – Board Support and Policy Officer
Marion Maloney	Environment Agency
Sheila Stefani	LGPS Central
Kevin McDonald	ACCESS Pool
Frances Deakin	Local Pensions Partnership (LPP)
Graham Cook	Phoenix Group
Piers Lowson	Baillie Gifford
Edwin Whitehead	Redington
Maria Espadinha	Pensions Lifetime Savings Association (PLSA)
Oliver Watson	Ministry for Housing, Communities and Local Government
Jeff Houston	Barnett Waddingham (for item 3)

Item 1 – Welcome, introductions, apologies, and declarations of interest

1. The Chair opened by welcoming members to the meeting including Kenny Dick who had been nominated by the Scottish Scheme Advisory Board as their new representative after Stephen Smellie stepped down from the Group. Apologies were received from Ashley Hamilton-Claxton (Royal London Asset

Management (RLAM)), Sam Gervaise-Jones (bfinance), Sarah Wilson (Minerva), Sarah Tingey and Joanne Donnelly from the SAB Secretariat.

2. There were no declarations of interest.

Item 2 – Actions and Agreements from 23 September 2024

3. It was agreed that the actions and agreements paper represented a true and fair account of the meeting.

Item 3 – Net Zero Transition Planning and the LGPS/Presentation from Jeff Houston (Barnett Waddingham)

4. The Chair invited Jeff Houston to introduce Paper B to the Group. Barnett Waddingham has been appointed by the Scottish Scheme Advisory Board (SSAB) to develop proposed reporting principles to be followed in the absence of LGPS specific regulations for climate risk reporting. The proposed solution is to align the Scottish 2010 LGPS Regulations with the Schedules of the Department for Work and Pensions' (DWP) Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 which apply already to private sector pension schemes.

5. The Group generally felt that this proposal could also be a good starting point for LGPS in England and Wales given the similar delay in the making of any climate reporting regulations. It was noted that there is a need for flexibility in reporting standards given the fast pace of evolution within this section of the industry and the new Government's proposal to require pension funds to develop credible transition plans. The Group also noted that the current government had proposed that LGPS asset pools should be fully responsible for delivery of funds' investment strategies. The pools also follow a mandatory TCFD reporting regime established by the FCA which is similar to that in DWP regulations, so the benefit of having a further separate and different regime for LGPS administering authorities would need to be clearly established.

6. The proposal would also require the Scottish SAB to aggregate data from the Scottish funds to produce a scheme-level report. Laura Chapman (LC) expressed some concern about the challenges that come with trying to aggregate figures at scheme level as metrics are not yet standardised. She suggested instead that any scheme level information might more usefully focus on qualitative data. Graham Cook (GC) added that the latest Green House Gas protocol advised against trying to aggregate Scope 3 emissions.

7. The Chair asked Oliver Watson (OW) from the Ministry for Housing, Communities and Local Government (MHCLG) for his thoughts on utilising the principles laid out in the paper. He explained that climate reporting and Net Zero transition planning is still a government commitment but not high priority

Responsible Investment Advisory Group (RIAG)

at the moment. He welcomed practitioners working together to encourage best practice in this area in the meantime.

Item 4 – Legal advice on fiduciary duty

8. Jeremy Hughes (JH) notified the Group that following on from the last meeting the Board has now obtained initial advice on fiduciary duty from Nigel Giffin KC. This advice concerns a letter sent to administering authorities that allege that they are acting unlawfully by holding, and failing to divest from, investments in companies which have been linked to the ongoing situation in the Middle East. Counsel advice has also been sought on the definition of fiduciary duty, leading on the advice obtained by the Board in 2014. This advice was expected in the coming weeks.

Item 5 – LGPS Fit for the Future consultation

9. JH introduced the item to the Group. Following on from the Chancellor Rachel Reeves' Mansion House speech on 14 November 2024, MHCLG launched the Local Government Pension Scheme (England and Wales): Fit for the future consultation. The Group were invited to comment on the Government's proposals specifically on how the shaping and implementing of responsible investment policies would be affected by handing the responsibility to pools.
10. In response to questions from the Group about whether funds should be able to invest in pools other than their own, OW explained that this probably wouldn't be appropriate for most asset classes but there may be a case for allowing this to provide better scale for infrastructure investing.
11. The Group felt that the government's plans for pooling amounted to putting in place a fiduciary manager which could not be replaced. In the private sector, the periodic re-procurement of a fiduciary manager was a key tool for trustees to deal with any underperformance. It was important then that there should be appropriate governance and accountability processes in place for the model envisaged for the LGPS. OW responded that the funds will still be the owners of the pools, and funds needed to collaborate with their pools to influence what works for them. As owners of the pools, funds are able to use the backstop of dismissing the Chief Executive, or entire Board, if dissatisfied with their pool's performance. OW added that if funds felt this arrangement would not work well, then MHCLG are interested in receiving this information via consultation responses.
12. The Group also discussed the proposal for funds to take principal investment advice from their pools and whether that would include responsible investment advice. OW said that "principal advice" would minimally include advice on asset allocation and, if the model was working well, it could also include advice on RI. Fund representatives emphasised that they wanted to

retain control of their RI policy, and how that was being implemented through stewardship and engagement activity by the pool on their behalf. There was discussion of how funds could achieve more by working together to get a shared view on responsible investment, but without having to settle for a "lowest common denominator" approach.

13. The group also discussed their thoughts on the government's local investment proposals and how and where decisions should ultimately be made. The Secretariat noted the contents of the Group's discussion to be considered for the Board's consultation response.

Item 6 – Stewardship Code consultation

14. Becky Clough (BC) informed the Group that the FRC had launched a consultation on the 2020 UK Stewardship Code, which is open until 19 February 2025. The Chair said that the current application requirements can be onerous, and signatories often have started their application for the following year before receiving feedback for the current year. She added that a move to accreditation every three to five years with annual updates would be more manageable and added that she had some concerns on the current definition of stewardship.

15. The Group noted that the consultation proposed to change the definition of stewardship to remove the connection to it "leading to sustainable benefits for the economy, the environment and society" and the rationale was that the revised definition would be more clearly focussed on securing value for beneficiaries. However, some, including Frances Deakin (FD), expressed concern that this seemed to dilute the power of the concept. Sheila Stefani (SS) also noted that the definition of stewardship in the TPR General Code had retained the connection to social and environmental aims.

Item 7 – MHCLG Update

16. OW was present at the meeting but had no other substantive update in addition to contributions to earlier items.

Item 8 – Any other business and date of next meeting

17. There were no other items of business.

18. The date of the next meeting was confirmed as 3 February 2025 at 11am to be held as a hybrid meeting via MS Teams and at Smith Square.

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Responsible Investment Advisory Group (RIAG)

MEETING – 3 FEBRUARY 2025

ITEM 3 PAPER B

Climate Risk Reporting – reporting principles from Funding Strategy Statement guidance

Background

1. Regulation 58 of the Local Government Pension Scheme Regulations (LGPS) 2013 requires funds in England and Wales to publish a written statement setting out its funding strategy and in preparing, maintaining, and reviewing the statement, the administering authority must have regard to guidance and the investment strategy.
2. The Board's Compliance and Reporting Committee formed a working group in Autumn 2022 to update the previous guidance in place for funds to follow when creating their Funding Strategy Statement (FSS). The working group consisted of fund practitioners, fund actuaries, the Government Actuary's Department (GAD), scheme employers, LGPS legal advisors, scheme member representatives and the Scottish Scheme Advisory Board.
3. The working group included perspectives on the content which should be included in the FSS guidance from various parties, including responses to a stakeholder survey, comments from fund practitioners, fund actuaries, employer representatives, scheme member representatives, GAD and MHCLG. This research has meant the previous guidance has been developed to reflect the current funding scenarios faced by LGPS funds and as funds are preparing for the 2025 Actuarial Valuation. The guidance should help funds create their own funding strategy, covering all the necessary topic areas but without being prescriptive in the policy approach to take. The redraft has improved the guidance on the below topics:
   - Roles and responsibilities of key parties
   - Engagement with employers and other key stakeholders
   - Funding deficits, surpluses and de-risking policies
   - Risk management (including specifically climate risk reporting)
   - Good practice in setting out the fund's policy on funding decisions
   - Links with other fund policies and strategies.

4. The group has also taken into consideration the recommendations made in the Government Actuary's latest review of local fund valuation reports. Of particular interest to RIAG is that the guidance has tried to address the recommendations on standardising climate risk reporting stating that it is expected that the FSS will have recognised and considered the funding issues associated with climate

Responsible Investment Advisory Group (RIAG)

change and references a “key principles document” which has been collaboratively drafted by the four actuarial firms who act as fund actuaries in the LGPS.

Point 43 (page 11) of the FSS guidance states:

‘It is expected that funds will have recognised and considered the funding issues associated with climate change as a material systemic risk and means that funds will need to keep the management and governance of climate risk under review. Funds should set out in the FSS their current approach to assessing the potential impact of climate risk on the funding strategy and outlook. Specifically, the FSS should be clear on the approach to assessing the potential impact of climate risk, how this is used in decision making, risk management and links with other management strategies. This guidance recognises that this is an evolving area, and changes are likely in the regulatory landscape and developing actuarial practice in the future.

When considering funding issues related to climate change, funds should also have regard to the key principles document for preparing climate scenario analysis, which has been drafted by the actuarial firms who act as fund actuary for the LGPS funds and approved by GAD, MHCLG and SAB. The key principles document relating to each actuarial valuation is included in the relevant Section 13 report as published by GAD. The key principles document will be reviewed in advance of every future actuarial valuation. For the latest copy of the key principles, funds should speak with their fund actuary or view the latest document on the Board website.’

Current position

5. The FSS guidance has been approved by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Board; then subsequently Ministerial approval was received in early January 2025. The key principles document (referenced above) was published alongside the FSS guidance on the Board guidance page but is also published in **Annex A** of this report.

6. RIAG members are asked to note the draft principles document and provide any comments on how they expect these principles to considered and reported by funds. It would also be beneficial for RIAG attendees to share this principles document with relevant LGPS stakeholders.

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Key principles for preparing climate scenario analysis as part of the 2025 valuation

Published by the Scheme Advisory Board in January 2025

1. Background and scope of the analysis

1.1. The principles have been drafted and agreed between the four actuarial firms providing funding advice to the LGPS namely Aon, Barnett Waddingham, Hymans Robertson and Mercer at the request of GAD to ensure a consistent basis on the scenario analysis used by funds.

1.2. The principles should be reviewed in advance of every triennial valuation and any amends should be agreed with the different actuarial firms and MHCLG, SAB and GAD. Commentary on compliance with the principles will be included in the Section 13 review following each triennial valuation.

1.3. An important part of any analysis for the valuations will be to identify the impact of transition risk (shorter term) and physical risks (longer term) on the potential funding outcomes. It is therefore critical that any analysis covers an appropriate spectrum of outcomes e.g. degree of warming/rate of transition to low carbon state and also timeframe of analysis. This is the fundamental principle of how the core analysis should be considered.

1.4. Funds will consider at the outset the scope of the analysis to be undertaken and the scenarios to be considered at the Whole Fund level, comprising at least two alternate scenarios covering differing rates of transition. These may be considered relative to a base scenario (i.e. with implicit adjustment to assumptions for scenarios which include varying degrees of climate change transition, consistent with the funding assumptions). This might be used, for example, to test whether the funding strategy is sufficiently robust in the context of the scenario analysis considered and therefore any potential contribution impacts.

1.5. This quantitative analysis should be supported by a qualitative commentary on the financial risks under each scenario, for example the impact on asset classes, inflation, life expectancy, interest rates, and how these may impact the funding level. The qualitative commentary could also include detail of how a Fund has considered, and managed, the financial risks that the Fund may be exposed to, and any potential actions being taken to improve resilience to climate change.

2. Scenarios to be considered

2.1. At least two scenarios should be considered covering a range of physical and transition risk including one Paris aligned scenario and one high temperature scenario.

2.2. Funds should consider both the projected potential global average temperature rise, and the nature of the transition to that temperature rise (e.g. timing and level of disruption).

2.3. Ultimately Funds will take advice from their Fund Actuary (and other advisers as appropriate) on the analysis to be undertaken as part of the valuation.

2.4. The detailed method and assumptions underpinning the climate change scenarios is not prescribed and will be determined by Funds working with their advisers based on their own plans to address climate change. However, as an example, the following impacts may be considered:

2.4.1. the potential impact on the future investment return outlook (and therefore discount rate) and inflation (and therefore inflation-linked assumptions), for the purpose of projecting liability values; and

2.4.2. the impact on the investment returns delivered by the Fund's investment strategy for the purpose of projecting asset values

2.4.3. Funds could also consider with their advisers the extent to which the scenarios will consider additional elements such as that set out in section 4.2.

2.5. As well as Funds having different approaches to dealing with climate change in their portfolio construction, it is recognised that different actuarial firms/GAD will legitimately have differing views on the methodology and assumptions underpinning different climate change scenarios although we would expect some commonality here.

3. Time horizon and output

3.1. The output from the scenarios will include quantitative consideration of the results over a period of at least 20 years to ensure there is sufficient recognition of the transition and physical risks of climate change. Funds can opt for a longer time horizon as appropriate.

3.2. To ensure consistency with other reporting requirements, if a Fund chooses to do so then separate analysis could be undertaken to be consistent with the expected TCFD requirements i.e. giving consideration to the short, medium and long term impacts, but this would be subject to the final TCFD requirements for the LGPS.

4. Reporting

4.1. The Fund Actuary will summarise the analysis/commentary in the final valuation report, including the headline assumptions underpinning the analysis, in line with the profession's expectations. Reference should be made to the challenges and limitations that users of scenario analysis should be aware of when interpreting results, as per the guidance from the Institute and Faculty of Actuaries.

4.2. As part of the commentary in the final valuation report, fund actuaries could include detail on what risks have been considered within the scenarios modelled and how the Fund has used the output of the scenario modelling in the valuation results. For example, if the fund has considered the potential impact of climate change on life expectancy changes in setting demographic assumptions, or if the fund has integrated climate risk into its employer covenant analysis which informed the employer contributions, this could be set out in the report.

4.3. Under each of the scenarios considered, detail on the temperature alignment of the scenarios modelled and the timescales for transition, should be included.

4.4. As part of the dashboard, Funds will be required to note whether or not climate change analysis has been included in the final valuation report for consideration by GAD for Section 13 reporting requirements. Given the different possible approaches and scenarios the results should not be used to comment on differences in impacts across funds.

4.5. If a Fund chooses to exclude this analysis from the final valuation report then the Fund should include a statement with a short explanation within the report.

4.6. Funds should be required to include in their Funding Strategy Statement a statement that the Fund has undertaken scenario analysis to assess the resilience of the strategy against climate change risk over the agreed period. This statement could also include:

4.6.1. commentary on how the climate risk analysis is integrated into a fund's overall funding risk management strategy and decision-making.
4.6.2. commentary on where it has managed non-financial climate risk more generally.

Version 2
Updated December 2024

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Responsible Investment Advisory Group (RIAG)

MEETING – 3 FEBRUARY 2025

ITEM 4 PAPER C

Legal Advice on Fiduciary Duty

1. The Board has received Nigel Giffin KC's updated opinion on the fiduciary duty in the context of the LGPS. This was intended as a review of and update to Nigel's 2014 advice and is entitled "Local Government Pension Scheme: Investments and Non-Financial Considerations".

2. The advice was sought ahead of the launch of the Government's 'Fit For the Future' consultation on 14 November 2024, but it was able to address some of the issues raised in that consultation. The updated opinion can be found on the Legal Opinions and Summaries page of the Scheme Advisory Board's website.

3. The advice expands on the previous advice in a number of areas, for example:

   - In clarifying how the fiduciary duty owed to employers differs from that owed to members (see para 19)
   - How far administering authorities are required to consider ESG factors in decision making, and to record this in their Investment Strategy Statement (ISS) (see para 37)
   - A reminder of the need for administering authorities to actually apply the policies set out in their ISS when making investment decisions, and the need to keep the ISS up to date (see paras 43-44)
   - Some discussion of how far administering authorities can devolve the implementation of their ESG policy to pools, while confirming that they could not delegate the strategy-setting duty itself to the pool company (see paras 46-51)
   - The requirements around consulting members and how their views can be taken into account in deciding how and which ESG factors are applied (paras 38-42 and 56-62).

4. The Secretariat is considering whether any further advice on specific points would be helpful and would ***welcome any views from the Group on this***.

5. The Group is also ***invited to consider*** whether the Board could helpfully provide supplemental, practical advice to administering authorities on how to act consistently with this guidance. For example, around best practice in consulting with members to establish their ESG approach.

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Responsible Investment Advisory Group

HYBRID MEETING – 3 FEBRUARY 2025

ITEM 7 PAPER D

RIAG Terms of Reference

Background:

1) Last year, it was agreed to amend the term lengths of Group members. Group members had originally all been nominated for an initial term of two years with the option to renew for an additional two years. The Group agreed to extend the term length for Group members but decided to consider further keeping these term limits in for the Chair.
2) Having reflected on the current situation, the Secretariat feels that while rotating the Chair might bring different perspectives to the Group, this consideration needs to be balanced against the advantages of preserving some continuity of Group membership.
3) The Group are felt to be working well together and there is very open discussion and expression of varying perspectives under the current Chair. Also, many of the issues which the group have considered, like climate risk reporting and local investments, remain under active consideration by Government and the “institutional memory” of the Group is considered likely to be more of a help than a hindrance in providing advice to the Board
4) Consequently it is recommended that the Group agree to amend the Terms of Reference so that the Chair may serve two, four-year terms. This is the same position as other members of the Group.
5) The draft updated ToR with tracked changes can be found at Annex A.

Recommendation:

To approve the above recommendations and for the Secretariat to make the relevant change to the ToR and publish the document on the Scheme Advisory Board website.

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Responsible Investment Advisory Group

HYBRID MEETING – 3 FEBRUARY 2025

ITEM 7 – PAPER D – ANNEX A

RIAG Terms of Reference

Responsible Investment Advisory Group (RIAG)

Terms of Reference for the Group

Constitution

1. The Group is established by the Local Government Pension Scheme Advisory Board in exercise of its power under regulations 110 (4) and (5) of the Local Government Pension Scheme Regulations 2013.

Functions of the Group

2. The functions of the Group are as follows:

- To advise the Board and the Investment Committee (the Committee), as requested, on all matters relating to Responsible Investment

Operation of the functions

3. In fulfilling its functions the Group will:

- Report directly to and take instructions from the Committee
- Be both reactive in terms of work commissioned by the Board and Committee and proactive in terms of approaching the Board and Committee with their own proposals for consideration
- Seek the agreement of recommendations to the Committee by consensus of the Group which, after discussion by Group members, shall be determined by the Chair. Where consensus cannot be reached, or where the view of the Chair is challenged, the recommendation to the committee should include any contrary view expressed by individual group members
- Direct all applications to engage with the media on the Group's behalf to the Chair of the Group for permission.

Membership

4. Membership of the Group will be as agreed by the Board below:

Chair – from the LGPS
Administering Authority – London
Administering Authority – Shire Counties
Administering Authority – Met Districts
Administering Authority – Wales

LGPS Pool representatives
Consultant 1*
Consultant 2*
Asset Manager 1
Asset Manager 2
Special Interest
Wider Industry
PLSA
Scheme Member

(* The two consultant seats will be nominated by the Investment Consultants Sustainability Working Group).

5. Steps must be taken to ensure that all eight LGPS asset pools (companies and partnerships) are represented in the Group across the Chair, authority and pool representatives.

6. Members of the group are appointed in a personal capacity and are not expected to represent the views and positions of their organisations on any matter discussed or agreed by the Group.

Chair – appointed by the Board

7. At any point the Chair may stand down from that position or may be removed by a vote of the Group. The Group may recommend the removal of the Chair to the Board on the passing of a no confidence motion. Before discussing a no confidence motion the Group will appoint an Acting Chair in line with paragraph 9 below.

8. Person(s) in the role of Chair may retain those roles for a period of no longer than ~~two~~ four years and may be nominated on no more than two occasions.

9. Where the Chair is not in attendance or to discuss a no confidence motion, the members of the Group shall appoint an Acting Chair from the present members for the meeting in question. At all Group meetings, it shall be the duty of the Chair or Acting Chair to ensure that all Group members show respect to the process and are provided with equal access to the floor. The Chair or Acting Chair shall also determine when consensus has been reached.

Nominations for members

10. Nominations for the appointment of Group members shall be as follows:

Administering Authority seats – Nominated by the Committee
Pool company/partnership seats – Nominated by the Committee
Consultant seats – Two members nominated from the Investment Consultants Sustainability Working Group
Asset Manager seats – Nominated by the Committee

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Special Interest seat – Nominated by the Committee **Wider Industry seat –** Nominated by the Committee **PLSA seat –** Nominated by PLSA
Scheme Member seat – Nominated by Board member representatives

All nominations are subject to approval by the Board.

Term of appointment of Group members

11. The term of appointment for all Group members is a period of no longer than 4 years (subject to the practicalities of appointment processes). Group members may be re-nominated at the end of their term no more than once.

Secretariat

12. The Board will provide a Secretariat function for the Group, including a Group Secretary, funded from within the Board budget. The Board may at any time choose to change the provider of the Secretariat function subject to the terms of the agreement with the LGA and the procurement section of these terms of reference.

Workplan

13. The Group is required to develop and submit a work plan for approval by the Investment Committee on an annual basis within the timescales advised by the Committee.

14. The Group shall strive to conduct the key areas of work in line with the agreed work plan, but the work plan will be subject to flexibility to respond to other matters as they arise. The Chair of the Group must update the Committee on a regular basis on progress against that Group's work plan including any additional areas of work.

Working Groups

15. The Group may establish working groups from within its membership as and when required, whether short-term or otherwise.

16. The Group will be responsible for developing and agreeing the terms of reference of any working groups. Working groups should limit their considerations to their remit and provide, as requested, information and options to the Group who shall reserve the ability to make recommendations as it sees fit.

17. Chairs of working groups shall be nominated from and agreed by the members of the Group.

18. Nominations for membership of working groups may come from the Chair of the Group, members of the Group or the secretariat.

Responsible Investment Advisory Group

19. The Chair of the Group together with the Chair of the relevant working group shall seek to achieve a balance in the membership of the working group between the various stakeholders.

20. The outcome of working groups is to be reported solely to the Committee via the Chair of the Group who shall determine the extent and scope of any resulting actions.

Transparency and Communication

21. The membership, appointment processes, meeting dates, agendas and the actions and agreements of the Group shall be published regularly by the Secretariat on the LGPS Advisory Board website. Any discussion points included in the Actions and Agreements document will not be attributed to individuals unless the group and the individual agrees that it would be in the best interests of the transparency of the group to do so.

Attendance

22. All Group members are expected to regularly attend meetings. Where a member of the Group fails to attend regularly, the Chair may seek for that person to be replaced by another representative, in accordance with the nomination process detailed in the membership list above.

Quorum

23. The Board will have formal quorum of 50% of the membership, rounded up where the membership is an odd number, provided that within that 50% at least half are members representing scheme members, administering authorities or pool companies and partnerships.

Frequency of Meetings

24. The Group will meet a minimum of four times a year. The Chair may call meetings more frequently if deemed necessary or on the joint request of two or more Group members. Except in situations to consider matters of urgency, all meeting dates will be communicated at least one month in advance. The Group will strive to agree dates of meetings on a calendar year basis by the preceding 30th November.

Declaration of interests

25. Each member of the Group will be expected to declare, on appointment and at each meeting any interests which may lead to conflicts in the subject area or specific agenda of that Board.

26. The Chair of the Group must be satisfied that a person nominated as a member of the Board does not have a conflict of interest or can effectively manage that conflict as a member of the Group.

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27. Each member of the Group must provide the Secretariat with such information as is reasonably required for the purposes of maintaining and publishing a conflicts register.

28. It shall be the responsibility of the Chair of the Group to ensure that the Committee is made aware of, and provided with the necessary information in relation to, any conflict of interest which the Chair deems to be material or potentially material to the work of the Group.

29. At each meeting of the Group the Chair shall require members to declare any potential material conflict of interest with regard to any of the agenda items. If a conflict is declared the Chair shall determine if the member cannot effectively manage that conflict and/or the position of the Group may be undermined by that conflict, and if so may ask the member not to participate in the meeting during that item.

30. The SAB Secretariat will adopt the role of ensuring that the Chair of the Group does not have a conflict of interest in the same way as the Chair does in relation to all other Group members.

31. Where two or more Group members disagree with the judgement in relation to a potential conflict of interest made by the Chair (or Acting Chair as the case may be) the matter will be considered by the Group as an item of urgent business and agreed by consensus. The member in question may be asked to leave the meeting for part or all of the time whilst the matter is being considered.

32. “Conflict of interest” means a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the Group (but does not include a financial or other interest arising merely by virtue of membership of the LGPS or the provision of services to the LGPS).

33. “Material conflict of interest” means of financial or other interest which could lead to the member or any organisation to which the member belongs benefitting financially or otherwise as a result of any agreement or recommendation in relation to the agenda item.

Administration

34. The Group Secretary will agree an agenda with the Chair prior to each Group meeting. The agenda and any papers for the Group will be issued at least 5 working days (where practicable) in advance of the meeting except in the case of matters of urgency.

35. The Group Secretary will record minutes of each meeting including all actions and agreements which will be circulated to all Group members within

a reasonable period after the meeting. These minutes will be subject to formal agreement at the following Group meeting.

Personal Liability of Board members

36. Following advice from legal advisers, as Group members can only make recommendations to the Committee, they shall carry no personal liability in respect of recommendations made to the Committee in respect of any areas of work within the scope or workplan of the Group.

Term of Group

37. The Group will remain in place while the Board so requires.

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3 February 2025

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