

Responsible Investment Advisory Group (RIAG)

Actions and Agreements – 9 June 2025 (Hybrid meeting)

In attendance –

Name	Organisation
Sandra Stewart	Greater Manchester Pension Fund – Chair
Tom Harrington	Greater Manchester Pension Fund
Rachel Barrack	Wales Pension Partnership (Hymans Robertson)
John Neal	UNITE
Kenny Dick	Representing Scottish Scheme Advisory Board (SSAB) (Employer representative, The Care Inspectorate)
Clair Alcock	Local Government Association (LGA) – Head of Pensions
Jeremy Hughes	LGA – Senior Pensions Secretary
Ona Ehimuan	LGA – Pensions Secretary
Becky Clough	LGA – Board Support and Policy Officer
Sophia Chivandire	LGA – Pensions Policy Support Officer
Sarah Tingey	LGA – Research and Data Analyst
Marion Maloney	Environment Agency
Sheila Stefani	LGPS Central
Frances Deakin	Local Pensions Partnership (LPP)
Laura Chapman	London CIV
Sallie Wilson	ACCESS
Graham Cook	Phoenix Group
Edwin Whitehead	Redington
Sam Gervaise – Jones	bfinance
Maria Espadinha	Pensions Lifetime Savings Association (PLSA)
Oliver Watson	Ministry for Housing, Communities and Local Government (MHCLG)

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

1. The Chair opened by welcoming members to the meeting including Sallie Wilson (ACCESS) who had taken from Kevin McDonald (ACCESS). Piers Lowson (Baillie Gifford), George Graham (SYPA) and Jonathan Sharma (COSLA) had also stepped down from the Group since the last meeting. Tim Gooding (Baillie Gifford) had been nominated to take over from Piers Lowson but sent apologies for the meeting. Gareth Dixon (COSLA) had been nominated to take over from Jonathan Sharma but has also sent his apologies. A replacement for George Graham is to be identified.

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2. Apologies were also received from Sarah Tingey (SAB Secretariat), Ashley Hamilton-Claxton (RLAM), Sarah Wilson (Minerva), John Neal (Unite) and Patrick Rowe (WCC). Laura Chapman (LCIV) gave her apologies for the later section of the meeting and Alison Lee (LCIV) joined to attend this section in her place.
3. There were no declarations of interest.

Item 2 – Actions and Agreements from 3 February 2025

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

Item 3 – Ministry of Housing, Communities and Local Government (MHCLG) update

5. Oliver Watson (OW) informed the Group that the [Pensions Schemes Bill](#) was introduced to Parliament on 6 June 2025. There was no further update on climate risk reporting as the focus was on other projects however this was still important to the Government. Frances Deakin (FD) asked when guidance would be published by MHCLG following on from the Government's response to the Fit for the Future consultation. OW said that the timings had not yet been confirmed.

Item 4 – Effect of proposed pooling model on RI policies

6. Jeremy Hughes (JH) introduced the discussion to the Group. The government's [response to the Fit for the Future consultation](#) was published on 29 May 2025 and the Group considered how the proposed pooling model would have an effect on responsible investment policies.
7. There was still uncertainty around how differing policies between the fund and the pool as well as between different funds in the same pool would be accommodated. It was welcomed that the Government response acknowledged this issue. The Chair said a key issue would be managing the complexities between delivering value for money on investments and delivering on responsible investment policies.
8. It was also unclear, with implementation of the investment strategy entirely delegated to the pool, how a fund could retain oversight of voting and engagement of the pools under the new model.
9. The Group also mentioned that thinking on some RI issues were not as well developed or as easy to reconcile into common mandates. For example, while climate is frequently discussed and is possible to accommodate a range of different targets within quite a small number of mandates, in other areas such

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as biodiversity and more political issues such as human rights issues, conflict and resulting divestment issues are more difficult to reconcile at pool level.

10. It was agreed that pools will need to take a clear stance on these issues and have an open and ongoing dialogue with their partner funds. Pools may not be able to satisfy everyone but trying to obtain consensus from partner funds would be the best option.
11. Marion Maloney (MM) asked whether the SAB would be helping to write the new Investment Strategy Statement and Pooling Guidance. JH confirmed that this would be the case although MHCLG would “own” the draft. He added that the Board hoped that there would also be scope for it to shape the new Pensions Bill.

Item 5 – LGPS Fit for the Future consultation – local investment

12. Marion Maloney (MM) raised the issue of local investment in the case of funds such as the Environment Agency Pension Fund which is a national fund. OW acknowledged that this needed to be clarified but emphasised that in the vast majority of cases, local investment would be taken to mean investments local or within the same region as the fund or pool.
13. The Chair expressed the view that pools were less likely to engage in local investment due to their risk appetite and perceived conflicts with the fiduciary duty. There were also potentially unintended consequences with considering LGPS investment as public sector investment for accounting and state aid purposes. It was also observed that local investment required a lot more resource to do properly but often resulted in lesser returns than more conventional investments – it was mainly done for social and some diversification benefits. Members of the Group also said that pools would need sufficient time to develop the regional relationships necessary to work with newer Combined and Mayoral Combined Authorities as stipulated by Government.
14. Despite this, the Group generally supported local investment and the government’s plan but encouraged further clarity and guidance from the government.

Item 6 – Update on fiduciary duty legal advice

15. JH informed the Group that the updated legal advice on fiduciary duty had been received from Nigel Giffin KC and a summary with the Board’s interpretation of the advice published on the Board’s website. The Group thanked the Secretariat for producing this.

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Item 7 – Practical guidance to funds on setting RI policy

16. Becky Clough (BC) introduced the item for discussion explaining that there were two possible areas of work for the Group to explore: guidance on stakeholder engagement and guidance on responsible investment training for Pension Committee members. The Group expressed support for producing guidance in these areas and said that guidance on stakeholder engagement would ideally cover how to encourage engagement (both qualitative and quantitative) from a cross section of stakeholders not just those with the strongest views.
17. On training for Pension Committee members, the Group said that this should cover fundamental concepts such as the definitions of ESG and stewardship as well as the link between fiduciary duty and responsible investment. Compared to previous years it was noted that there seemed to be higher levels of turnover on committees, which was an additional challenge. The changing responsibilities between funds and pools would also change the kinds of skills and knowledge that pension committee members would need to effectively fulfil their role.
18. Given the current pensions reform, the Group agreed that this would need to be undertaken on a longer timescale and should be readdressed at a future meeting.

ACTION – that the Secretariat adds an item on practical guidance to the agenda of the next meeting.

Item 8 – Any other business and date of next meeting

19. There were two items of other business raised. The Chair firstly informed the Group that the FRC had overhauled the Investment Stewardship Code taking effect from 1 January 2026. Among the changes made is a removal of an explicit reference to ESG considerations and asked the Group for initial thoughts on the impact this could have on the LGPS. FD said that the Code still made explicit reference to sustainability which is linked to ESG considerations and when taken as a whole can still be utilised to hold managers to account in this area.
20. The second item of business was raised by Sandra Stefani (SS) who said that a recent roundtable discussion had raised the issue of increasing resistance to including ESG considerations by private markets investment managers in the United States (US). Members of the Group said that in their experience investors were happy to consider these areas in the international sections of their corporation however did not want to explicitly mention ESG factors in their US arm. The Chair said that the roundtable has proposed the idea of

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developing a pro-forma letter and offered to share details with members if there was an interest.

21. The date of the next meeting was confirmed as 6 October 2025 at 2pm to be held as a hybrid meeting via MS Teams and at Smith Square.

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