

Scheme Advisory Board

Rt Hon Greg Clark MP
Secretary of State for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
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15 July 2022

Please respond to; Robert Holloway, Robert.holloway@local.gov.uk

Dear Greg

Local Government Pension Scheme: Consultation on Scheme Changes

Can I firstly, on behalf of the Local Government Pension Scheme Advisory Board, welcome you to your position as Secretary of State. We look forward to working with you and your ministers, continuing our successful working relationship and effective stewardship of what is the UK's largest funded pension scheme.

The Scheme Advisory Board was established under the Public Service Pensions Act 2013 to advise you, as the Secretary of State, on the desirability of changes to the regulations governing the Local Government Pension Scheme in England and Wales, including specific provisions on the investment and management of fund monies.

The main purpose of this letter is to convey the Board's hope that the timetable for public consultations on changes to the Scheme which, up to now, had been planned for the Autumn will not be delayed by the recent changes in the Ministerial team.

Those consultations were likely to cover a number of different areas relevant to the scheme, however, our main concern centres on the introduction of a framework for LGPS administering authorities to report on climate change risks, as stipulated by the Taskforce on Climate Related Financial Disclosures (TCFD).

Corresponding regulations for private sector pension schemes came into force in October last year and reports for the 2021/22 period are now being published. The LGPS is therefore already a year behind the private sector and delaying the planned consultation beyond the Autumn risks even further delay and the resultant criticism that the scheme, and those responsible for making scheme regulations, are dragging their heels on this key issue.

I very much hope that you will feel able to give an early assurance to the Board that the anticipated public consultations, and in particular that the reporting of climate-related risk, will proceed in time for the necessary regulations and associated guidance to be introduced by April next year. This is necessary to enable LGPS

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administering authorities to put in place arrangements to report on climate risks and progress against emissions targets for the period 2022/23. Any delay beyond then would put us a further year behind the private sector, which would be regrettable for a globally significant investor like the LGPS.

I would be happy to meet with you to discuss this in more detail if you think that would be helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Phillips', with a stylized flourish at the end.

Cllr Roger Phillips
Chair of the Board