

**Investment Committee Meeting**  
**22 June 2026, 11.00am to 1.00pm**  
**Room 6.5, 18 Smith Square, London and**  
**Microsoft Teams**



## **Paper D: Responsible Investment Advisory Group (RIAG) report**

### **Summary report from 8 June 2026 meeting**

#### **Ministry of Housing, Communities and Local Government (MHCLG) update**

Rachel Howcroft (RH) from MHCLG gave an update to the group. The new Co-Heads of the MHCLG Pensions team are Rosanna Thomson, who leads on investments, and Will King, leading on administration and member benefits.

The Pensions Scheme Bill (now Act) has received Royal Assent and two sets of regulations, have been made under it. One set dealing with fund governance (amending the LGPS Regulations 2013) and another replacing the LGPS Investment Regulations 2016. The accompanying statutory guidance on setting the Investment Strategy Statement (ISS) and guidance on asset pooling will be published by the end of June.

It was confirmed that there had been some changes to the wording in the responsible investment section of the guidance, but this was mainly to align the wording with the government's intentions for the guidance at the outset of the drafting process and did not represent a shift in government position.

Climate and transition planning remained on the government agenda for the LGPS, but timings could not be confirmed.

#### **Dealing with lobbying in the LGPS**

The group had a discussion on further actions the Board could take to support funds in this area. Jeremy Hughes (JH) updated the group on the Government's response to the Board letter on investment in conflict zones (dated 13 October 2025). A letter was received from Local Government Minister, Alison McGovern MP on 12 May 2026.

The group also noted contextual information about the change in party control at many councils following the local elections on 7 May 2026 and impact that the political views of some parties may have on investment beliefs over the coming months and years. The secretariat is reviewing the Knowledge and Understanding guidance, via the Compliance and Reporting Committee's (CRC) working group, to

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help ensure that new councillors are aware of what is required of them and what are the limits of their role. The training provided by the Local Government Association (LGA) Pensions team i.e. Fundamentals is also being reviewed. The Board will also be having a welcome event for new pension committee chairs with Board Chair, Cllr Roger Phillips OBE in September 2026. The group raised the following comments:

- There is still a sense that some campaigns spilled over the boundary between legitimate lobbying and undue pressure
- The group agreed with the Board's disappointment that the letter from the Minister did not elaborate on circumstances where it might be appropriate to take into account international law
- Previous ISS guidance helpfully set out a two-stage test for taking into account non-financial factors and referred to a risk of significant financial detriment; it was hoped that the new guidance would preserve this
- Some officers made use of the SAB website which contains useful information on making investment decisions when dealing with lobbying
- There is a difference between organised campaigners outside committee meetings and where there are members of the pension committee who advocate for similar views. With the latter, it would be for officers to understand and communicate the legal position and the consequences of making decisions against the fund's financial interests, e.g. making a self-referral to the Pensions Regulator (TPR).

It was agreed that an item on training for pension board and committee members and on TPR's revision of their toolkit be brought to the next meeting.

### **Practical guidance on setting responsible investment (RI) policy**

The group [received a paper with an update on this workstream](#) and were asked for further recommendations based on the feedback given by the working group set up for this piece of work. The group's feedback mostly mirrored that given by the working group when it met 30 April 2026. The key points arising from the working group meeting were that:

- Member engagement had increased over recent years but remained low
- There are issues with ensuring that engagement comes from a wide representative group of scheme members, and not just a vocal minority
- There is a need for prior briefing on investment issues, including responsible investment, to assist members in having the knowledge to adequately engage with surveys

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- It would be helpful to have guidance on survey design
- Surveys should clearly explain how member views will be utilised
- There was support for exploring the feasibility of trialling participative models of engagement such as member assemblies and agreed that the secretariat talk to NEST and the New Citizen Project, who are currently trialling similar initiatives
- Trade union representatives said that discussions with their local representatives had revealed that the approach to engagement in general was also varied and some funds did not engage with members at all.
- Trade union representatives were also in support of standardisation in the way that member views were sought.

The group said that some funds utilised external companies such as expert market researcher to devise surveys. It was also said that member representation could and should be sought via other means such as member representatives on the fund's pension committee. The group agreed to share examples or case studies that could be added to the guidance with the secretariat.

### **Fiduciary Duty in the LGPS**

The group received a paper including an update the Board's addition to the Department for Work and Pensions' working group on fiduciary duty and a restatement of the Board's position on fiduciary duty. A similar paper has been brought to this committee including the feedback from the group (see paper F).

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