Responsible Investment Advisory Group (RIAG) Meeting

5 October 2026, 11.00am - 1.00pm

Microsoft Teams

Paper D: RI implementation working group

Key points to note

At the last Board meeting on 20 July 2026, it was agreed on recommendation form the Investment Committee to establish new investment working groups to address priority issues that would benefit from scheme level guidance or principles. The outputs from these groups are intended to layer over the statutory guidance published by the Ministry of Housing, Communities and Local Government (MHCLG) in June 2026.

The Investment Committee also recommended when it last met on 22 June 2026 that the implementation of administering authorities' RI policies by pools should be addressed by the RIAG. The secretariat has considered how to take this forward in practice and have made arrangements for the establishment of a new RI implementation working group which will report to the RIAG.

Recommendation

That RIAG:

- notes the draft Terms of Reference and provides any comments; and
- agrees that the first meeting of the RI implementation working group should take place before the next RIAG meeting on 30 November 2026.

Background

During the last cycle of meeting, discussions were held on the Board's plans to support the implementation phase of the Fit for the Future reforms. On 22 June 2026, the Investment Committee agreed to recommend to the Board that working groups were set up to explore:

- Fiduciary oversight of pools
- The common principles or guidelines for reporting publicly and to partner funds
- Developing the capacity for local investment projects including relationship building with strategic authorities and due diligence assessments for potential investment projects.

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These working groups will be working towards developing guidance or common principles on key areas to layer over the new statutory Investment Strategy Statement (ISS) guidance, Pooling guidance and Fund Governance guidance documents

The committee also agreed that the topic of RI implementation and recommended that it is addressed by this group. Over the summer the secretariat has made arrangements to convene these working groups and considered the proposals for addressing the topic of implementing fund RI policies by pools.

Considerations

Whilst this group possesses the expertise to address this matter, the RIAG meets and functions in a similar manner to the SAB's committee which has prompted the secretariat to consider the establishment of a new working group. A new working group would allow the RIAG to continue discussing a range of items at meetings as usual whilst retaining oversight of this new group which would be able to meet more flexibly and discuss arising issues at depth. Such issues may include the topic of exclusions in RI policies and the application of that at the pool level. Paper B expands on this in more detail.

As a result, the secretariat has made arrangements for the establishment of an RI implementation working group to address in detail issues that may arise both at pool and administering authority (AA) level in the process of implementing the AA's RI policy. Volunteers for this group include RIAG members, fund and pool practitioners, board advisors to the pool, scheme member representatives, independent person(s), an actuarial representative and a wider pensions practitioner with recent LGPS experience.

A draft Terms of Reference (ToR) for this group has been drawn up and circulated to this group for consideration. The initial view is that this group would meet as required with updates provided at RIAG meetings. In order to best utilise the resources of the new working group, RIAG members are asked to consider the draft and provide feedback on example key areas that may be helpfully addressed by the working group.

With the agreement of this group, the first working group meeting will be convened ahead of the next RIAG meeting on 30 November 2026. On the agenda for that first meeting will be the approval of the draft Terms of Reference and initial discussions on the outputs that may best address the issues the working group agrees to prioritise.

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