Scheme Advisory Board (SAB) Meeting
23 November 2026, 1.30pm
Beecham Room, 18 Smith Square, London
and Microsoft Teams

Paper D: Scheme Advisory Board (SAB) Governance structure review

Key points to note

The recommendations agreed in relation to the Investment Committee have been implemented. Insights from these activities are provided in the paper.

The secretariat recommends that the membership changes to the Investment Committee are made permanent.

Further considerations for the Investment Committee and the Compliance and Reporting Committee are set out in this paper.

The governance review has been an iterative process to enable responsiveness to the evolving architecture of the scheme. The review has drawn out a number of changes that have improved the SAB's ability to discuss priority issues with practitioners best placed to address them. Pending the Board's approval of the recommendations set out in this paper, this workstream can now be closed with the focus shifting to the implementation and maintenance of the changes agreed by the Board.

Recommendations

The Board is asked to agree:

- to confirm the current six LGPS pool representatives and six fund representatives as permanent members of the Investment Committee, with those representatives invited to its next meeting on 18 February 2027
- that the secretariat explores the future inclusion of Independent Person(s) on the Investment Committee, including the process for assessing suitable candidates and the timing of recruitment, recognising that appointments at funds must be made first
- that the secretariat explores the process for assessing suitable candidates to represent LGPS Senior Officers and Independent Persons on the Compliance and Reporting Committee (CRC), recognising that appointments at funds must be made first

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- that the secretariat review the Terms of Reference for all three SAB committees in the new year to reflect the changes made over the past year and promote consistency, with the updated Investment Committee Terms of Reference submitted to the Board for approval on 22 March 2027

Background

A paper providing feedback on the activities of the SAB's governance structure review was presented at the last Board meeting on 20 July 2026. In line with the agreed actions at that meeting, the secretariat has:

- continued to invite representatives from the six asset pooling companies to attend the Investment Committee (IC) meetings
- recruited a further four new fund representatives to the IC on a trial basis to balance with the increased pool presence and invited them to the meeting on 19 October 2026
- established three new working groups on pool oversight, local investment and reporting which met for the first time in the week commencing 28 September
- made arrangements to put in place an additional working group to support the Responsible Investment Advisory Group (RIAG) fulfil the directive from the Board to explore outputs to support responsible investment implementation; and
- continued consideration of the changes needed to the Compliance and Reporting Committee (CRC) as part of the governance review.

Insights from these activities are provided in this paper.

Committee structure and membership

The Board has been considering the changes needed so the committees can adequately address the significant programme(s) of work resulting from the 2026 investment scheme reforms. An initial set of changes have been made to the IC's membership which have proven to be successful; the secretariat's recommendations following on from this can be found in the opening 'Recommendations' section of this paper

The secretariat is considering whether changes to CRC membership will be required to reflect the introduction of the LGPS Senior Officer role and to include representation from Independent Persons. As administering authorities are not required to make these appointments until December 2027, it is expected that

dedicated CRC positions for these roles will be established once appointments have been made.

The Board should note that a review of the CRC's Terms of Reference is needed to consider the concentration of membership terms ending in 2027, possible staggering of future appointments and more consistency across each of the Board's committees. The secretariat also recommends that the Terms of Reference for the other committees are also reviewed to ensure consistency across the committee structure.

In line with the action agreed on 20 July 2026, the secretariat have increased the number of fund representatives on the IC from two to six on a trial basis and invited the four new fund representatives to the meeting on 19 October. Officers were invited to submit a 150-250 word expression of interest to the secretariat. The secretariat reviewed these with the aim to achieve a balance of fund types and pool representation. Where there was more than one expression of interest for a particular pool, consideration was also given to maintaining some continuity of existing committee membership during this trial period. The recommendations were shared with the IC Chair, Cllr John Beesley and subsequently approved by the Board Chair on 29 September 2026.

The new approved representatives in attendance at the meeting were:

- Sherief Loutfy, Head of Pension Fund (Senior LGPS Officer), Worcestershire Pension Fund (Non-metropolitan county/unitary, LGPS Central)
- Paul Audu, Head of Pensions and Treasury (Interim), LB Tower Hamlets (London fund, London CIV)
- Michelle King, Senior LGPS Officer, Head of Pensions & Deputy s151 Officer, Swansea Pension Fund (Welsh fund, Wales Pension Partnership)
- Joanne Donnelly, Chief Executive Officer, London Pension Fund Authority (LPFA) (Single purpose pensions authority, Local Pension Partnership Investments (LPPI)); substituted for Lana Watson, Director of Pensions, LPFA (Also Vice Chair of the LPPI Partner Fund Working Group)

The inclusion of additional fund officers built on the contributions of existing fund officer committee members (Nick Buckland, Head of Pensions and Treasury at Kent and Peter Wallach, Director of Pensions at Merseyside) and provided opportunity for diversity of thought from the committee on the agenda items.

The IC received a paper on committee membership which also proposed changes to

the naming of specific members' roles from observatory to reporting to better reflect their contributions to the committee.

The IC also revisited the proposed addition of the Independent Person(s) to the membership ultimately to replace the investment consultant representatives on the committee. It was agreed that whilst this would be a logical change to align with the scheme reforms, this would take some time to implement as many administering authorities are still in the process of appointing the Independent Person. The secretariat will also need to think about the process for assessing successful candidates to join the committee. It was agreed that the investment consultants remain on the committee in the interim.

Update on the new investment working groups

As agreed by the Board on 20 July 2026, the working groups on local investment, pool oversight and reporting have been established and met for the first time in the week commencing 28 September 2026. The initial meetings have demonstrated the value of bringing together practitioners with relevant experience to explore these areas in greater detail before issues are considered by the Investment Committee. This provides additional capacity for the Committee's expanding work programme while allowing it to retain strategic oversight. A summary of the discussions at the working groups meetings can be found in the Committee Workplan paper submitted to the Investment Committee on 19 October 2026.

Proposed Investment Committee changes

The process of shaping the committee's future membership has been conducted in a gradual manner to ensure that the changes implemented are well thought out and best suited to the influx of issues that the committee will need to address over the coming months. Whilst there remains open considerations about additional stakeholder groups that may be usefully added to the committee, the current model of six pool and six fund representatives in addition to the existing representative groups (scheme employee representatives, an education sector representative, a LAPFF representative and a treasurers' representative) is proving to be productive and the secretariat would recommend that this be implemented for future meetings.

When recruiting the additional fund officers to the committee, the secretariat made clear that consideration would be given to whether a further process is needed if the Board seeks to make the change permanent. The fund officers in attendance at the last meeting were all sufficiently qualified and experienced to participate effectively in

the committee discussions. There was also an indication in the initial process that some funds had coordinated discussions on the candidate to put forward for consideration. Taking this into consideration, the secretariat does not believe an additional process will be needed and propose that with the Board's approval, the new fund representatives are made permanent additions to the Investment Committee.

The secretariat also proposes that the new pool officers are made permanent. For reference these are:

- Richard Law-Deeks, Chief Executive Officer at (LGPS Central),
- Dean Bowden, Chief Executive Officer at London CIV
- Paras Anand, Chief Executive Officer at Northern LGPS and;
- Andrew Johnston, Chief Investment Officer at Wales Pension Partnership.

This is in addition to the existing reps from LPPI (Chris Rule, Chief Executive Officer of LPPI) and Border to Coast (previously Fiona Miller, Deputy Chief Executive Officer at Border to Coast. As detailed in paper E, Ewan McCulloch, Chief Stakeholder Officer at Border to Coast was approved to replace her by the Board Chair on 8 October 2026).

Next steps

Subject to the Board's approval, the secretariat will confirm the permanent Investment Committee membership arrangements ahead of its meeting on 18 February 2027. Work will continue on future Independent Person representation on the Investment Committee and LGPS Senior Officer and Independent Person representation on the CRC, recognising that appointments at funds must be made first. The secretariat will review all three committees' Terms of Reference in the new year and submit the updated Investment Committee Terms of Reference to the Board for approval on 22 March 2027.

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