Responsible Investment Advisory Group (RIAG) Meeting
30 November 2026, 11.00am to 1.00pm
Microsoft Teams

Paper B: Department of Work and Pensions (DWP) guidance on fiduciary duty

Key points to note

The consultation on guidance from DWP on the application of the fiduciary duty has started and the Board intends to make a response. Members of this group are invited to input views as to what that response should include.

Recommendation

That the group notes the contents of this update and considers any areas of focus for the Board's response to this consultation.

Background

The DWP has now issued draft guidance on interpretation of the fiduciary duty. This follows commitments made during the passage of the Pension Schemes Act and noted in the Hansard record of the debate of the then Pension Schemes Bill held on March 23 2026.

The commitment is to produce guidance for trust-based private pensions sector only (column 1290 onwards), although column 1292 does acknowledge that the LGPS would be engaged in the production on this guidance. Clair Alcock, Board Secretary, took part in the working group which produced the draft guidance and whilst it is not for the LGPS specifically, it is expected to have some persuasive effect.

The consultation, which started on 5 November 2026 will run for 12 weeks. It is expected that the final guidance will be published in spring 2027.

Considerations

This group is invited to provide any observations on the content of it and what it might be helpful for the Board to respond to the consultation.

For example:

1) Do group members agree with the analysis contained in the draft guidance

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and do they think it will be helpful for an LGPS audience?

2) Are there any concerns about how the guidance might be interpreted by LGPS funds or asset pool companies, and would it be helpful for the Board to provide some background or context to the guidance to assist them in understanding its application to LGPS?
3) Would it be helpful to proactively identify where it reinforces the key messages in, or potentially conflicts with, any other LGPS guidance (both statutory guidance or our new Responsible Investment guidance) so that we can consider whether to amend that guidance or provide contextual information
4) How do we think this guidance will impact the responsible investment approaches or market conditions in the sector generally or for LGPS investors in particular?
5) The modernising corporate reporting consultation closes on 30 November 2026. Do members consider that any of the proposed reductions or simplifications in corporate reporting would remove information that LGPS funds or pools materially rely on when making or overseeing investment decisions, and if so would this group support the following comment from SAB in response to the consultation?

   "The Board supports the objective of ensuring corporate reporting is proportionate and focused on decision-useful information. However, as LGPS administering authorities and asset pool companies are significant long-term institutional investors, it is important that simplification does not result in the loss of financially material information required to assess long-term investment risks, exercise stewardship effectively and make informed investment decisions."

Timescales

The DWP consultation closes on 27 January 2027 and the Board will be looking to submit a response before then. Please provide any further views on what might be included in that response by email before 31 December 2026, so that we have time to consider and then clear this through the Board's approval processes in good time for submission to DWP.