



**Superannuation
Arrangements of the
University of London**

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Sinead Donnelly and Vicky Baird
Department for Work and Pensions
Strategy Policy and Analysis Group
Private pensions and Arm's Length Bodies Directorate
Ground Floor North
Quarry House
Leeds
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16 July 2018

BY EMAIL ONLY

Dear Ms Donnelly and Ms Bird,

Consultation on Clarifying and Strengthening Trustees' Investment Duties

Thank you for the opportunity to consider and respond to this consultation.

SAUL Trustee Company (STC) is Trustee and administrator of the Superannuation Arrangements of the University of London (SAUL). SAUL provides defined benefit pension provision for the non-academic staff of the Universities of London, Kent, Essex, Imperial College, the Royal College of Art and associated colleges and institutions. At 31 March 2017, SAUL had over 50,000 members, 52 participating employers and over £3.2 billion in assets. SAUL is a non-associated multi-employer pension scheme.

We are broadly supportive of the proposals set out in the consultation – please see attached more detailed views.

Yours sincerely,

Kevin Wade
Chief Investment Officer

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No. 2868875

Q1. We propose that the draft Regulations come into force approximately 1 year after laying, with the exception of the implementation report, which would come into force approximately 2 years after laying.

a) Do you agree with our proposals?

Yes, we agree with the proposed timescales.

b) Do you agree that the draft Regulations meet the policy intent?

Yes.

Q2: We propose to require all trustees of all schemes which are obliged to produce a SIP to state their policy in relation to financially material considerations including, but not limited to, those resulting from environmental, social and governance considerations, including climate change.

a) Do you agree with the policy proposal?

We are broadly supportive of the policy proposals and support explicitly referring to climate change within the SIP.

b) Do the draft Regulations meet the policy intent?

Yes.

Q3: When trustees prepare or revise a SIP, we propose that they should be required to prepare a statement, setting out how they will take account of scheme members' views.

a) Do you agree with the policy proposal?

Yes we agree with the policy proposal although, given the inherent differences between DB and DC Schemes, there needs to be clear guidance on how for example a large multi-employer DB pension scheme might be expected to take account of scheme members views.

b) Do the draft Regulations meet the policy intent?

Yes although it would be helpful to have clear guidance on what appropriate engagement with members looks like.

Q4. Do you agree with our proposal not to require trustees to state a policy in relation to social impact investment? If not, what change in legislation would you propose, and how would you address this risk of trustee confusion on this point?

Yes, we agree with this proposal.

Q5: We propose that trustees should be required to include their policy in relation to stewardship of the investments, (including monitoring, engagement and voting) in the SIP.

a) Do you agree with the policy proposal?

Yes, we agree with this proposal. We are supportive of the intention to split out three activities: monitoring; engagement; and voting and welcome the clarification that stewardship should extend beyond equities.

b) Do the draft Regulations meet the policy intent?

Yes.

Q6: When trustees of relevant schemes produce their annual report, we propose that they should be required to: - prepare a statement setting out how they have implemented the policies in the SIP, and explaining and giving reasons for any change made to the SIP, and - include this implementation statement and the latest statement outlining how trustees will take account of members' views in the annual report.

a) Do you agree with the policy proposal?

Yes, we agree with this proposal.

b) Do the draft Regulations meet the policy intent?

Yes.

Q7: We propose that trustees of relevant schemes should be required to publish the SIP, the implementation report and the statement setting out how they will take account of members' views online and inform members of this in the annual benefits statement.

a) Do you agree with the policy proposal?

Yes, we agree with this proposal.

b) Do the draft Regulations meet the policy intent?

Yes.

Q8: Do you have any comments on the business burdens and benefits, and wider non-monetised impacts we have estimated in the draft impact assessment?

We have no further comments.

Q9: Do you have any other comments on our policy proposals, or on the draft Regulations which seek to achieve them?

We have no further comments.

Q10: Do you agree that the revised Statutory Guidance clearly explains what is expected of trustees in meeting their duty to publish the SIP, implementation statement, and statement of members' views?

Yes.

Q11: What evidence or views do you have of how well the other requirements in the SIP are working? What areas for further consideration and possible future change would you suggest?

We have no further comments.