



meeting

PENSIONS INVESTMENT SUB COMMITTEE

date

13 JUNE 2008

agenda item number

REPORT OF THE STRATEGIC DIRECTOR OF RESOURCES
CONSULTATION ON UPDATING THE MYNERS PRINCIPLES

Purpose of the Report

1. To seek the Sub Committee's endorsement of the proposed response to the Government's Consultation on Updating the Myners Principles.

Information and Advice

2. A previous report to the Pensions Investment Sub Committee, in December 2007, outlined the National Association of Pension Funds (NAPF) recommendations to the Treasury following its review of the progress made in implementing the Myners Principles. The Treasury, has now considered NAPF's proposals, and in conjunction with the Department for Work and Pensions and the Pensions Regulator, has issued a consultation paper on its proposals to update the Principles. The deadline for responses is 23 June 2008.
3. Overall, the Government welcomes the NAPF review and accepts its principal findings. In particular, it agrees that:
 - a) the Myners Principles should be reduced in number from ten to six to provide a sharper focus for trustees and their advisers
 - b) more guidance is needed to provide trustees with details of best practice for implementing the updated Principles
 - c) the updated Principles should ensure a thorough consideration of the issues relevant to investment decision making.

However, it believes that decisions on the nature, scope and development of Pension trustee training tools should be the responsibility of a joint group consisting of both Pension industry and Government representatives. It proposes an Investment Governance Group to co-own the updated Myners Principles, monitor their

effectiveness and make recommendations for improvements to investment and governance.

4. The consultation document seeks comments on a number of specific areas and the proposed response is attached.

Statutory and Policy Implications

5. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

Recommendations

6. The Sub Committee comments upon and, if appropriate, endorses the proposed response to the Government Consultation on Updating the Myners Principles.

ARTHUR DEAKIN
STRATEGIC DIRECTOR OF RESOURCES

Background Papers Available for Inspection

Updating the Myners Principles – a Consultation