

Investment Committee

Hybrid Meeting – 7 July 2025

Item 7 – Paper D

Code of Transparency (CoT) Project Update

Background

1. The Board is currently working with the [National LGPS Frameworks team](#) to explore replacing the current centrally procured system with a framework approach. It is expected that the new framework will offer basic data collection with an option to add on benchmarking services for an additional fee. Since the last Committee meeting, a Founders' group has been put together and the first two project meetings have taken place with the third to be held on 8 July 2025.
2. As part of wider plans for the Code of Transparency, a review is also being undertaken to reflect incoming changes following the discontinuation of the existing SAB data system but also to reflect new pooling arrangements. The review also seeks to rectify additional issues raised by stakeholders such as the administering authorities and pools as well as the Code signatories.

Considerations

3. The Founder's group met on 13 May 2025 and 6 June 2025 and discussed the project scope and timeline, funding arrangements and the structure of the new framework. The Secretariat have worked with the Frameworks team and the Founder's group to draft an initial specification for the new framework which is still under development.
4. Discussions are being held with LGPS pools to gain insight into their current methods of investment cost data collation and analysis and potential interest in the use of the framework which will further shape the specification. The Secretariat have also met with officials from the Ministry of Housing, Communities and Local Government (MHCLG) to discuss using the Code and potentially statutory investment guidance to drive best practice and encourage a continued commitment to investment cost transparency in the LGPS.
5. It is expected that the framework will be launched in April 2026 on completion of the procurement exercise to be launched in Autumn 2025. The start-up costs for the framework will be covered by the Board and this has been allocated and approved by the Minister in 2025/26 SAB Budget. The timetable for the Framework project can be found at Annex A

Investment Committee

6. The LGPS Code of Transparency will need to be reviewed as part of the wider work to support this new initiative. The Secretariat has conducted an initial review of the Code with the proposed changes designed to reflect the incoming arrangements on pooling and investment cost data collection. Changes are also being made to require Code signatories to submit templates within a timescale that aligns their clients reporting deadlines along with an included description of the Board's escalation process in the case of non-compliant managers.
7. A project plan for revision of the Code has been developed (Annex B) and includes a period of consultation from 14 July to 15 August 2025 after which the responses will be analysed by the Secretariat. The final draft will be presented to the Founder's group to ensure that the changes do not conflict with the plans for the new framework before final approval by the Board.
8. The Committee is asked to review the proposed changes to the Code (Annex C) and approve the draft for consultation.

Recommendation: That this Committee approves the draft revised Code of Transparency at Annex C for consultation and provides an update on the CoT project and the updated project plans to the Board at the July 2025 meeting.

Investment Committee

ANNEX A – CODE OF TRANSPARENCY FRAMEWORK PROJECT TIMETABLE

The timetable below sets out the updated key decision points and proposed timescales. The timetable for the project will remain agile to respond to developments as they emerge.

| Project stage | Current timeline and proposed future timescales | Required input | Progress |
|---|---|---|----------|
| Byhiras contract extension and novation | December 2023 - April 2024 | Secretariat to write formal notification of contract extension to Byhiras | COMPLETE |
| CoT system working group | January - February 2024 | Members to be selected, Secretariat to arrange meetings and collate findings | COMPLETE |
| Market engagement prep | February – April 2024 | LGA Procurement team to assist with shaping of early market engagement questions | COMPLETE |
| Early market engagement | 24 June – 6 August 2024 | Secretariat to schedule meetings with providers and collate feedback to present case to Board | COMPLETE |
| Survey of funds based on early market engagement findings | 9 September – 27 September 2024 | Secretariat to devise and issue survey using Survey Monkey | COMPLETE |
| CoT system working group final meeting | w/c 7 October 2024 | Feedback on survey results | COMPLETE |
| Board executive panel recommendation | w/c 21 October 2024 | Send updates/information pack pre meeting | COMPLETE |
| Update Investment Committee | 11 November 2024 | Secretariat to update the Investment Committee on the | COMPLETE |

Investment Committee

| Project stage | Current timeline and proposed future timescales | Required input | Progress |
|---|---|---|-------------|
| | | project and the recommendation being made by the panel | |
| Board final decision | 25 November 2024 | Secretariat present paper to Board and invite final decision on future of the system. The final decision will be made by the Board on recommendation from an executive panel comprised of members from the Board. | COMPLETE |
| Ministerial Budget submission for 2025/26 | November 2024 | Start-up costs for framework development approved by Minister | COMPLETE |
| Framework development scoping conversations | December 2024 – April 2025 | Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders) | COMPLETE |
| Framework development | April 2025 – April 2026 | Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders) | IN PROGRESS |
| Framework launch and transition from Byhiras system | April 2026 – August 2026 | Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders), fund officers (system users to retrieve | |

Investment Committee

| Project stage | Current timeline and proposed future timescales | Required input | Progress |
|----------------------|---|--|----------|
| | | data from Byhiras), Byhiras (to support transitional arrangements and comms) | |
| Byhiras contract end | 30 August 2026 | | |

*Rows in grey indicate stages that have been completed.

Investment Committee

ANNEX B – LGPS CODE OF TRANSPARENCY REVIEW PROJECT TIMETABLE

Project timetable

The timetable below sets out the updated key decision points and proposed timescales. The timetable for the project will remain agile to respond to developments as they emerge.

| Project stage | Proposed timescale | Required input | PROGRESS |
|--|--|--|-------------|
| Initial review of Code | May – June 2025 | Secretariat to make initial comments and tracked changes on current Code document | COMPLETE |
| Present at Founder Meeting 2 | 13 th June 2025 | NLGPS Founders asked for feedback on draft. | COMPLETE |
| Update Investment Committee | 7 th July 2025 | Present early draft to Committee, invite feedback | COMPLETE |
| Consultation with asset owners and Code signatories | 14 th July – 15 th August 2025 | Email to stakeholders, collate and review feedback. Update to given to the Board at July meeting (21 st July 2025) | IN PROGRESS |
| Review responses | w/c 15 th – 22 nd August 2025 | Secretariat to review comments and make tracked changes if needed. | |
| Present at Founders Meeting 4 | w/c 8 th September 2025 | High level overview of consultation responses and any changes that will be made. Present final draft. Feedback limited to areas of significant issue | |
| Send final draft to Investment Committee with recommendation | w/c 22 nd September 2025 | Send final draft to Committee by correspondence with recommendation that it is passed to the Board for approval | |

Investment Committee

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| Send final draft to Board for approval | w/c 6 th October 2025 | Send final draft to the Board and request approval | |
| Publish new Code of Transparency | w/c 13 th /20 th October 2025, comms rollout in following weeks | Publish on Board website, follow comms programme to raise awareness of new Code i.e. emails to stakeholders, LinkedIn, monthly bulletin, DG magazine, LGPS Live SAB update. | |

*Rows in grey indicate stages that have been completed.