

Investment Committee

Hybrid Meeting – 3 March 2025

Item 5 – Paper B

Code of Transparency Compliance Update (standing agenda item)

Background

1. The Local Government Pension Scheme (LGPS) Code of Transparency (the Code) requires signatories to provide certain cost information to their LGPS clients. To enable the Scheme Advisory Board (SAB) to have direct oversight of Code compliance, as well as see scheme-wide cost data, the SAB make available an online system, specifically for the LGPS, which is provided by Byhiras. This was launched at the end of March 2020.

Recent developments

2. The table in **Annex A** sets out how uptake and use of the system has developed since the system was launched. The overall percentage of completed templates for 2019/20 has remained the same at 98 per cent. The largest proportion of missing templates remain in the infrastructure and unlisted equity asset classes.
3. For 2020/21 the overall completion rate remains at 99 per cent. Late templates are predominantly in the unlisted equity (more commonly known as private equity), private listed equity and property asset classes.
4. For 2021/22 the overall completion rate has remained at 98 per cent. Late templates are predominantly in the unlisted equity, property 'other' asset classes.
5. For 2022/23 the overall completion rate has increased from 98 per cent to 99 per cent. Late templates are predominantly in the property, active listed equity and active listed fixed income asset classes.
6. For 2023/24 the overall completion rate has increased from 95 per cent to 96 per cent (at the time of this report). Late templates are predominantly in the unlisted equity, infrastructure and property asset classes.
7. Despite this, the Secretariat has identified fund managers that still have a significant number of late templates as at the date of this report. These are:
 - a) Neuberger Berman Europe Limited - 109 late (1 for 2019/20, 33 for 2023/24 and 38 for 2024/25) an increase of 37 since the last meeting. The company have been contacted regarding the outstanding templates and the Secretariat have been informed that there has been a new recruit to their team who has been tasked with assisting to clear NB's backlog and improve their process going forward.

Scheme Advisory Board Secretariat

Local Government Association, 18 Smith Square, Westminster, London SW1P 3HZ
E SABSecretariat@local.gov.uk W www.lgpsboard.org

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- b) JP Morgan Asset Management have 14 late templates (3 for 2023/24, 1 for 2022/23, 1 for 2021/22, 1 for 2021, 2 for 2020 and 6 for 2019), which is a decrease from 24 at the last meeting. The Secretariat contacted JP Morgan in February 2025 to request an update on the remaining outstanding templates and were informed that the 6 for 2019 were assigned to the wrong year. Once the Secretariat have confirmed this, the templates can be deleted. We are awaiting an update on the remaining 8 outstanding templates.
- c) Aviva Investors Global Services Limited have 29 late templates (4 for 2023/24, 4 for 2022/23, 4 for 2021/22, 4 for 2020/21, 2 for 2019/20, 3 for 2023, 3 for 2022, 3 for 2021 and 2 for 2020) which is the same as at the last meeting. Aviva previously informed us that they have had issues uploading real estate templates due to reporting deadlines and issues with logging on to the system due to no longer having mobile phones to complete two factor authentication. However, the data has been sent to the funds directly without issue.
- d) Veritas Asset Management have 12 late templates (2 for 2023/24, 2 for 2022/23, 2 for 2021/22, 2 for 2023, 2 for 2022, 2 for 2021) which is the same as the last meeting. The company have been contacted regarding the outstanding templates and the Secretariat is awaiting a response.
8. Though only 2.2 per cent of templates are late, across all years excluding 2024/25 (data to be collected after end of FY24/25), private market templates form a majority of these late templates with the mean average being 54.8 per cent.

	Percentage late, private markets (Nov 2023)	Percentage late, private markets (Feb 2025)	Percentage late, all (Nov 2023)	Percentage late, all (Feb 2025)
2019/20	77.7	85	2.5	1.4
2020/21	50.7	50	2.6	0.74
2021/22	70.4	54.7	4.1	1.4
2022/23	58.9	13.8	4.6	0.95
2023/24	N/A	70.7	N/A	3.7

Recommendation: That the Committee notes this summary report.

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Annex A

Headline statistics on cost transparency compliance system users and uses

Cumulative totals to the date shown

Date	No. of managers on system	Total no. of schedules established	No. of templates complete	No. of templates due	No. of templates late
June 2020	46	1,023	922	96	5
January 2021	69	1,358	1,265	0	93
April 2021	86	2,984	1,394	1,448	142
September 2021	95	4,252	3,639	163	450
November 2021	103	4,551	3,732	208	611
February 2022	107	4,995	3,863	439	693
May 2022	114	7,326	4,089	2,215	1,022
September 2022	113	7,102	6,360	53	744
November 2022	115	6,884	6,411	15	458
February 2023	114	7,147	6,508	264	363
May 2023	114	9,584	6,869	2,344	371
July 2023	113	9,706	7,751	1,603	352
November 2023	115	9,792	9,418	15	359
February 2024	116	10,357	9,630	262	465
July 2024	118	13,154	11,344	1,571	239
November 2024	120	13,319	12,952	54	313
February 2025	120	13,633	13,011	319	303

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Totals (non-cumulative) for each financial year

Date	No. of managers with schedules	Total no. of schedules established	No. of templates complete	No. of templates due	No. of templates late
2019/20	78	1,438	1,418	0	20
Change from Nov 2024	No change	No change	No change	No change	No change
2020/21	103	2,671	2,651	0	20
Change from Nov 2024	No change	No change	Up 5	No change	Down 5
2021/22	110	2,916	2,874	0	42
Change from Nov 2024	No change	Down 1	Up 3	No change	Down 4
2022/23	109	3,068	3,039	0	29
Change from Nov 2024	No change	Down 2	Up 6	No change	Down 8
2023/24	109	3,095	2,979	0	116
Change from July 2024	No change	Down 20	Up 20	No change	Down 30

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