

# Scheme Advisory Board

## Hybrid Meeting – 24 November 2025

### Item 15 – Paper J

#### Investment Committee Report

#### Chair's Report from Meeting – 10 November 2025

#### Ministry of Housing, Communities and Local Government (MHCLG) Update

1. The officials present from the Ministry of Housing, Communities and Local Government (MHCLG) delivered a confidential presentation to the Committee on the incoming changes to the Investment Regulations and associated Investment Strategy Statement guidance. The Committee gave its feedback ahead of the regulations and guidance being published for consultation later in 2025?

#### Pension Schemes Bill – local investment

2. The Committee received a [paper](#) laying out considerations to be made around local investment requirements set out in from the [Government's response to the Fit for the Future consultation](#) and the [Pensions Schemes Bill](#) currently in Parliament. The Committee expressed some concern that the requirement to “co-operate” with strategic authorities and to identify and develop viable investments was unclear and may place undue burden on the funds' resources and budget. It was agreed that the guidance should clearly state how this was intended to work and who should incur the costs of due diligence checks.
3. On the topic of developing a common reporting standard the Committee felt that this may be difficult to achieve in practice and should instead be focussed on identifying examples of good practice and success stories. The measurement of impact across very different types of local investment would be difficult to quantify consistently.
4. MHCLG officials clarified that the cost and process of due diligence checks should be proportionate and not place an undue burden of funds. It was also confirmed that funds will under no circumstances be required or mandated to enter into investments that it does not deem appropriate or viable for the sake of meeting local investment targets or working with strategic authorities.

#### New Pooling Steering Group

5. The Committee received a paper on proposals for a new Pooling Steering Group and draft Terms of Reference. The Committee broadly supported the reasoning behind the group i.e. to formalise a closer link between the Board and the six asset pools that will remain in operation

# Scheme Advisory Board

after 31 March 2026, given the changes to the day-to-day operations of investment management in the LGPS.

6. However, pool representatives on the Committee would prefer that all the pools were represented on the Investment Committee rather than them being put onto a separate group which they feared could become a “talking shop”. The Secretariat were asked to further consider the value add of the proposed new group to the asset pools and whether that body should formally occupy an advisory role to the Board. The Committee also debated the inclusion of fund representatives in the potential steering group but concluded that it would be better for them to be represented on the Investment Committee, which would closely engage with the other group. It was agreed that the Secretariat would review its proposals and put a paper to the Board for them to make the final decision on how the pools should work with the Board and its Committees.

## Code of Transparency (CoT) data system

7. The Committee received an update on the rate of template completion and noted that the rate of completion for 2024/25 had increased significantly from 51% to 98% in line with the trend of completion rates from previous years. The Secretariat would continue to chase any Code signatories with a high number of late templates and there was one new Code signatory, Jennison Associates who signed up to the Code on 30 July 2025.
8. The Committee also received a paper outlining progress with the ongoing project on the new CoT framework. The founder's group had met five times since the last meeting and an early market engagement session was held on 13 August 2025 to discuss the project with potential suppliers. The framework is expected to commence in April 2026. The project plan remains the same and is included **Annex A** for the Board's review.
9. As part of the wider work to support the move from a centrally procured CoT data system, a review of the Code has also been carried out. A consultation was conducted from 14 July – 15 August 2025 on proposed changes to the Code and had 36 respondents. 100% of the Code signatories that responded remained committed to the Code in light of the proposed changes. The final draft of the Code was submitted to the Committee for comment on 10 November 2025 along with updated FAQs. These were approved for submission to the Board with the recommendation that they are approved for publication on the Board website. The project plan for this piece of work has been updated and can be found at **Annex B**. The Code and updated FAQs have been circulated confidentially as **Annexes C and D**.

# Scheme Advisory Board

## Responsible Investment Advisory Group (RIAG) Report

10. The Committee noted the report from RIAG chair which gave an update of the last meeting. The group agreed that engagement with stakeholders on responsible investment policy was difficult to navigate, and the Board's offer of guidance would be useful. Any guidance should focus on how to evidence that decisions were properly informed, and case studies would be useful. Guidance on methodology and the framing of questions would also be useful to ensure they are not leading towards getting a certain response. The Board's establishment of a new Pooling Steering Group to enable the Board to have a more formal link with the pools was discussed and the group asked about the potential addition of a RIAG representative being added to the group.

## Palestine Solidarity Campaign (PSC) lobbying

11. The Board's response to the letter and position paper that was received by numerous funds from the PSC, was discussed. MHCLG officials said that the Minister would not respond substantively to the letter from the Board asking for Government's view of the legal arguments made by the PSC.

## Committee Workplan

12. The Committee received the Committee Workplan for 2026 and approved its submission to the Board for approval with amendments. The workplan can be found at **Annex E**.

**Recommendation – that the Board notes the report, the CoT framework project plan at Annex A and the CoT review project plan at Annex B. That the Board approves the updated Code of Transparency and FAQs at Annex C and Annex D for publication on the Board website. That the Board considers the Committee Workplan at Annex E for approval.**

\*\*\*\*

# Scheme Advisory Board

## Annex A – Code of Transparency framework project timetable

The timetable below sets out the 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 project and the	COMPLETE

### Scheme Advisory Board Secretariat

Local Government Association, 18 Smith Square, Westminster, London SW1P 3HZ  
 E [SABSecretariat@local.gov.uk](mailto:SABSecretariat@local.gov.uk) W [www.lgpsboard.org](http://www.lgpsboard.org)

# Scheme Advisory Board

Project stage	Current timeline and proposed future timescales	Required input	Progress
		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 data from Byhiras),	

## Scheme Advisory Board Secretariat

Local Government Association, 18 Smith Square, Westminster, London SW1P 3HZ  
 E [SABSecretariat@local.gov.uk](mailto:SABSecretariat@local.gov.uk) W [www.lgpsboard.org](http://www.lgpsboard.org)

# Scheme Advisory Board

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

\*Rows in grey indicate stages that have been completed.

# Scheme Advisory Board

## Annex B – LGPS Code of Transparency review project timetable

### Project timetable

The timetable below sets out the 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 June 2025	NLGPS Founders asked for feedback on draft.	COMPLETE
Update Investment Committee	7 July 2025	Present early draft to Committee, invite feedback	COMPLETE
Consultation with asset owners and Code signatories	14 July – 15 August 2025	Email to stakeholders, collate and review feedback. Update to given to the Board at July meeting (21 <sup>st</sup> July 2025)	IN PROGRESS
Review responses	w/c 15 – 22 August 2025	Secretariat to review comments and make tracked changes if needed.	COMPLETE
Present at Founders Meeting 4	w/c 8 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	COMPLETE – the draft was sent via correspondence to the Founder's Group on 7 October 2025. This enabled the group to discuss priority issues more closely related to the framework procurement at its meetings. The Secretariat utilised the additional time to review the responses and

### Scheme Advisory Board Secretariat

Local Government Association, 18 Smith Square, Westminster, London SW1P 3HZ  
 E [SABSecretariat@local.gov.uk](mailto:SABSecretariat@local.gov.uk) W [www.lgpsboard.org](http://www.lgpsboard.org)

# Scheme Advisory Board

			further consider the changes needed and alignment with the Framework project.
Send final draft to Investment Committee with recommendation	w/c 22 September 2025	Send final draft to Committee by correspondence with recommendation that it is passed to the Board for approval	COMPLETE – the final draft was circulated via correspondence on 30 October 2025.
Send final draft to Board for approval	w/c 6 October 2025	Send final draft to the Board and request approval	COMPLETE – the final draft has been sent to the Board as part of the confidential paper pack received ahead of this meeting.
<b>Publish new Code of Transparency</b>	w/c 13/20 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.



# Scheme Advisory Board

## Annex E – Committee workplan

### Background

1. The Terms of Reference for this Committee state that a workplan must be developed and submitted for approval to the Board on an annual basis. The workplan is required to be flexible as the Committee will need to respond to matters as they arise, but this paper gives an overview of the key workstreams associated with the Committee in 2026.

### Investment Committee Draft Workplan

Workstream	Details	Action for next Committee	Timescales
Code of Transparency	<p>The Committee previously agreed to:</p> <ul style="list-style-type: none"> <li>• Work with the National LGPS Framework team to develop a framework for funds to procure investment cost data monitoring and benchmarking services</li> <li>• Revise Code to launch alongside the framework</li> </ul> <p>This work remains ongoing and will continue into 2026</p>	Update on the framework project to be given to the Committee at the next meeting on 23 February 2026.	<p>New framework projected to launch in April 2026.</p> <p>Revised Code to be taken to the Board for approval on 24 November 2025.</p>

# Scheme Advisory Board

Workstream	Details	Action for next Committee	Timescales
Fit for the Future consultation	Work with the Ministry of Housing Communities and Local Government (MHCLG) to ensure the draft Bill is implementable by funds and pools, minimising the risk of unintended consequences. Establish a closer, formalised link between the pools and the Board Support the development of guidance needed for the implementation of reforms.	Identify areas to support funds with as the Fit for the Future proposals and associated guidance and legislation continues to be rolled out. Make recommendations to the Board on any additional guidance or events needed to supplement and support funds.	Bill currently going through Parliament, Royal Assent being sought for March 2026. Consultation on draft guidance expected in the new year. New pooling arrangements in place from 1 April 2026. Comments from the Committee on the proposal on a new Pooling Steering Group to be put to the Board in November 2025.
Fiduciary duty advice	The Committee agreed to: <ul style="list-style-type: none"> <li>Seek legal opinion with follow up questions on fiduciary duty and conflicts of interest. These opinions have been published and can be found on the <a href="#">Board website</a>.</li> </ul>	Continue discussions at Committee meetings with recommendations to be made to the Board on any proposals for further work on fiduciary duty in the LGPS.	Discussions to continue in 2026.

# Scheme Advisory Board

Workstream	Details	Action for next Committee	Timescales
Responsible investment (RI)	<p>Committee agenda informed by RIAG. The Group have discussed how Fit for the Future proposals interact with RI policies and fund requirements. Group have agreed to develop practical guidance for setting RI policy and explore whether a common standard for local investing reporting can be identified for the Scheme.</p> <p>At some point we expect climate risk reporting regulations and requirement for transition plans to be implemented for LGPS</p>	<p>Continue discussions at RIAG meetings. Proposal on reporting guidance to be taken to future meeting and provide update to the Committee in the next RIAG Report</p>	<p>Bill currently going through Parliament Royal Assent being sought for March 2026.</p> <p>Consultation on draft guidance expected in the new year.</p>

\*\*\*\*\*