

# Scheme Advisory Board

## Consultation on the updated LGPS Code of Transparency – closing 15 August 2025

### Background

1. The Local Government Pension Scheme (England and Wales) is one of the largest open defined benefit pension schemes in Europe. It provides pensions to its nearly seven million members. It is administered locally by 86 different administration authorities and the Scheme Advisory Board works to encourage best practice between them in various key areas across the scheme. One of these is in ensuring the transparency of investment management costs. The Board is keen that the LGPS is seen as a value-led and innovative scheme and the effective management of investment costs is a part of that. Consistency across pension funds / asset owners supports this goal.
2. To that end, the LGPS Code of Transparency covering investment management fees and costs was developed by the Board and launched in May 2017. The current Code can be found [here](#) and has also been adopted by the Scottish LGPS.
3. For LGPS funds to have the relevant data to investigate and understand their respective fees and costs, the SAB, Pensions UK (previously the Pensions and Lifetime Savings Association (PLSA)) and the Investment Association (IA) – who together formed the Cost Transparency Initiative (CTI) in 2018 – developed CTI templates for use in association with the Code. These templates can be found [here](#). Institutional Limited Partners Association (ILPA) [templates](#) are also in common use by private markets managers and are acceptable.
4. The Board procured a data compliance system which collects the templates and allows LGPS funds to have access to information on fees paid to asset managers in one place. The system was launched in 2020 and is managed by Byhiras and has been successful in the aim of embedding the practice of investment cost transparency within the LGPS.
5. The contract expires in August 2026 and the Board is exploring replacing the centrally procured system with a framework approach, together with the [National LGPS Frameworks team](#), which would continue to offer basic collecting and reporting of cost templates to all funds but allow them to procure data validation and benchmarking services alongside this in a seamless fashion.

### Scheme Advisory Board Secretariat

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6. This pivot to a new method of collecting investment cost data does not represent a shift in the Board's commitment to transparency in this area but does present an opportunity to review the Code itself. The Board is conducting this consultation on proposed changes to the Code (see marked-up version on Board consultation page), with the aim of publishing the updated version later this calendar year.

## Proposed changes to the Code

7. The changes to the Code include edits to the existing definition of an investment manager to reflect the changing role of the LGPS pools in England and Wales. An inclusion of a definition for the LGPS pools and the financial year have also been added.
8. In Paragraph 7, a reduction has been made to the time that an investment manager has to develop the infrastructure necessary to provide its clients with investment cost data. This has reduced from twelve to three months as in our experience of signing up new managers this process can be completed within a shorter period. The change has been made to reflect feedback the Board received when engaging with LGPS funds and data system providers who both expressed that twelve months was too long a period.
9. Paragraph 7 also refers to the '*submission of the Template(s) to each Administering Authority and/or Pool*'. The addition of the Pool as a receiving party of cost data has been drawn out to reflect the fact that LGPS pools will be carrying out investment decisions and activities on behalf of their partner funds in England and Wales and will receive this data as a result. As the LGPS Code of Transparency has also been adopted in Scotland, the reference to the Administering Authority has been retained in this paragraph to reflect the fact that the Scottish LGPS does not use pooling companies. This also applies to references to the 'Administering Authority and/or Pool' in Paragraphs 8, 9, 10, 11, 13, 16 and 21.
10. There is now a clear statement on the expected timeline for the flow of data from Code signatories to clients in Paragraph 9. The current Code does not contain a deadline for the submission of data, however the [FAQs](#) explain that the expectation is that templates should be completed within 90-days of the deadline after the relevant period end after which the template is classified as late. When the FAQs were published in 2020, local authority financial reporting deadlines had been pushed back as a result of the COVID-19 pandemic. Now that local authority accounting periods have returned to pre-pandemic timelines (and accounts need to be issued by 31 May), the Board is proposing that a 1-month deadline be put in place for listed assets and a 2-month deadline for unlisted assets (in recognition of the fact that the flow of

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data in private markets often occurs on a longer timeline).

11. Paragraph 13 makes clear that '*Administering Authorities and/or Pools should make arrangements to ensure that they have a means of collecting and validating data from the templates*'. This has been added to make clear to all parties that this cost data should be actively sought and utilised, and Code signatories should expect to be held to account by their clients if the data is not provided as required. The Board intends to reinforce this messaging by including references to the Code in revised statutory guidance to the 2016 LGPS Investment Regulations and the [updated Annual Report Guidance](#) published in April 2024 (see Paragraph 32 on pg. 11 of the document).
12. Paragraph 21 further clarifies the instances in which the Board would revoke the status of a Code signatory.

## How to respond

13. The Board invites your thoughts on the proposed changes and requests that you please submit your responses by filling out the relevant form below by 17:00 on 15 August 2025. The responses will be analysed and considered when developing the final draft to be approved by the Board before publication.
  - [Form for Code signatories](#)
  - [Form for funds and pools as clients](#)
14. If there are any issues or queries you have, please contact the SAB Secretariat ([sabsecretariat@local.gov.uk](mailto:sabsecretariat@local.gov.uk)).

Kind regards,



**Cllr Roger Phillips**

**Chair of the LGPS Advisory Board**

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