



Pensions Committee

Date: TUESDAY, 3 DECEMBER 2024

Time: 2.00 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Deputy Timothy Butcher (Chairman)	Deputy Henry Pollard
David Sales (Deputy Chairman)	Deputy Christopher Boden
Deputy Madush Gupta	Timothy James McNally
Clare James	Alderman & Sheriff Gregory Jones KC

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes and non-public summary of the Pensions Committee meeting on the 17 September 2024.

For Decision
(Pages 7 - 12)

4. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

Report of the Town Clerk.

For Decision
(Pages 13 - 16)

5. **WORK PLAN**

Report of the Chamberlain.

For Information
(Pages 17 - 18)

6. **PENSION SCHEME ADMINISTRATOR'S UPDATE**

Report of the Chamberlain.

For Information
(Pages 19 - 28)

7. **GENERAL CODE OF PRACTICE COMPLIANCE REVIEW - BARNETT WADDINGHAM'S REVIEW**

Report of the Chamberlain.

For Decision
(Pages 29 - 82)

8. **AUTUMN BUDGET 2024, MANSION HOUSE SPEECH AND LGPS (ENGLAND AND WALES): FIT FOR FUTURE CONSULTATION SUMMARY**

Report of the Chamberlain.

For Discussion
(Pages 83 - 90)

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

11. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

12. **MINUTES**

To agree the non-public minutes of the Pensions Committee meeting held on the 17 September 2024.

For Decision
(Pages 91 - 100)

13. **PERFORMANCE MONITORING**

- a) Performance Monitoring: Quarterly Report to 30 September 2024
Report of Mercer.

For Information
(Pages 101 - 120)

- b) Investment Performance Monitoring to 30 September 2024
Report of the Chamberlain.

For Discussion
(Pages 121 - 142)

14. **OPEN ENDED INFRASTRUCTURE FUND - IMPLEMENTATION DISINVESTMENT ADVICE**

Report of the Chamberlain.

For Decision
(Pages 143 - 152)

15. **C WORLDWIDE - MERCER'S REVIEW**

Report of the Chamberlain/Mercer.

For Information
(Pages 153 - 174)

16. **RUFFER - MERCER'S REVIEW**

Report of Chamberlain/Mercer.

For Information
(Pages 175 - 192)

17. **LOCAL GOVERNMENT PENSION SCHEME - CASUAL WORKERS**

Joint report of the Executive Director of HR & Chief People Officer and the Chamberlain & Chief Financial Officer.

For Information
(Pages 193 - 202)

18. **BREACHES OF THE LAW POLICY - UPDATE**

Report of the Chamberlain.

For Information
(Pages 203 - 206)

19. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

Report of the Chamberlain.

For Discussion
(Pages 207 - 222)

20. **PENSION SCHEME ADMINISTRATOR'S UPDATE - NON-PUBLIC APPENDICES**

Non-Public Appendices B and C to be read in conjunction with item 6.

For Information
(Pages 223 - 226)

21. **NON-PUBLIC REPORT OF ACTION TAKEN**

Report of the Town Clerk.

For Information
(Pages 227 - 230)

22. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

23. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

CONFIDENTIAL AGENDA

24. **DISCUSSION ON PENSION INVESTMENTS**

Report of the Chamberlain – *To follow.*

For Discussion

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PENSIONS COMMITTEE **Tuesday, 17 September 2024**

Minutes of the meeting of the Pensions Committee held at Committee Room 3 - 2nd Floor West Wing, Guildhall on Tuesday, 17 September 2024 at 2.00 pm

Present

Deputy Timothy Butcher (Chairman)
David Sales (Deputy Chairman)
Deputy Madush Gupta
Clare James
Timothy James McNally
Alderman & Sheriff Gregory Jones KC

Officers:

Kate Limna	-	Chamberlain's Department
Graham Newman	-	Chamberlain's Department
Sarah Port	-	Chamberlain's Department
Amanda Luk	-	Chamberlain's Department
Raquel Pinto	-	Town Clerk's Department

In attendance:

Peter Lisley – Deputy Chair of the Local Government Pensions Board
Steve Turner – Mercer

1. APOLOGIES

Apologies were received from Deputy Christopher Boden and Deputy Henry Pollard.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

RESOLVED: That: -

- The public minutes and non-public summary of the Pensions Committee meeting on 18 June 2024 were approved as an accurate record.
- The public minutes and non-public summary of the Local Government Pensions Board meeting on 18 July 2024 be received.

4. WORK PROGRAMME

The Committee considered a report of the Chamberlain concerning a forward-looking Pensions Committee work programme.

The Chamberlain suggested that an invitation be made to the Actuary from Barnett Waddingham, to attend the Pensions Committee meeting due to be held on 3 December 2024, for an actuarial valuation discussion, ahead of the

triannual valuation on the 31 March 2025. The discussion would take place in the non-public session. Members unanimously agreed.

RESOLVED: That Members: -

- Received the report and noted its content.

5. **CITY FUND AND PENSION FUND - AUDIT FINDINGS UPDATE**

The Committee received a report of the Chamberlain concerning an update on the audit of the 2023-24 Statement of Accounts for the City Fund and Pension Fund.

The Chamberlain introduced the item highlighting the success of the audit, noting only minor outstanding actions which needed to be addressed before the audit was finalised. Members noted that the paper had been circulated as a late supplementary item, due to ongoing work on the City Fund audit, which would be presented at the next meeting of the Audit and Risk Committee in September. Officers confirmed that the Pension Fund accounts would be signed off by the statutory deadline on the 30 September 2024.

The Chairman commended officers for their efforts in putting together this piece of work, and suggested that in the spirit of good governance, that any outstanding audit recommendations be reviewed by the Committee in six months' time to address any unresolved issues.

A Member raised a query relating to the Section 37 Virgin Media case, querying whether the Auditor had mentioned this issue or if they planned to investigate in more detail next year. The Chamberlain confirmed that the Auditor had considered this and that they were happy with the response that the Pension Fund had provided.

RESOLVED: That Members: -

- Considered the Audit Findings Report for the Pension Fund 2023-24 as set out in Appendix 3.
- Agreed to review the recommendations in the audit findings report in 6 months' time.

6. **PENSION SCHEME ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain concerning a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

A Member observed that the scheme record keeping, involved measuring data once a year, including both common and conditional data, and asked what the score was, to understand if there were any gaps. Officers confirmed that this information would be circulated to Members outside of the meeting in an email.

The Member also sought clarification with regards to time scales relating to the payment of lump sum death grants as outlined in Appendix D of the report, as the two figures differed. Officers explained this was a typographical error which would be addressed.

The Deputy Chairman of the Local Government Pensions Board raised a question regarding the self-service portal, enquiring whether this would affect target measurements and speed up responses. Officers explained that the portal would enable members to use the retirement planner which would provide an estimate figure, however, for those nearing their retirement, the expectation would be that they contact the team for a personalised figure. It was noted that the portal may reduce the number of estimate requests being made of the team, but those that still make contact can expect an answer within the stated turnaround time.

The Deputy Chairman of the Pensions Committee congratulated the team on the roll out of the portal and on the favourable response they had received from scheme members.

RESOLVED: That Members: -

- Received the report and noted its content.

7. **COL PENSION FUND: GAD SECTION 13 SUMMARY REPORT**

The Committee received a report of the Chamberlain concerning the Government Actuary's Department (GAD) publication of their third Section 13 Report following the 2022 actuarial valuation of the Pension Fund in August 2024. The report provided a review of the Local Government Pension Scheme and was mandated under Section 13 of the Public Services Pensions Act 2013.

The Chamberlain informed Members that the Section 13 summary report was produced after every triennial evaluation to compare LGPS funds on a like for like basis. It was noted that The City of London Corporation Pension Fund had met all the criteria of the Section 13 report, receiving green flags for all aspects except 'asset shock' where a white flag was raised. Officers noted that the asset shock measure looked at the change in average employer pensions costs as a percentage of 'core spending' if there was a fall in markets and the fund's "growth" assets fell by 15% and never recovered. In addition, there were three recommendations for the Scheme Advisory Board which would be discussed prior to the next valuation.

The Chairman inquired about the Corporation's previous valuation, and the Chamberlain confirmed that an amber flag had been noted for the asset shock measure. However, this was not considered a major concern at the time.

Members acknowledged the recommendation concerning long-term cost efficiency for advisory boards and praised the Corporation's robust 20-year plan, which was meticulously followed in each valuation, leading to significant progress.

RESOLVED: That Members: -

- Received the report and noted its content.

8. **RISK REGISTER**

The Committee considered a report of the Chamberlain concerning the Risk Register for the Pensions Committee. The Risk Register is reviewed twice a year. Officers have reviewed the risks and there had been no changes since this was last reported to the Pensions Committee in March 2024.

A Member raised a question on high-risk cybersecurity threats and the need to increase the risk level on the register. Officers noted that although the Corporation has strong defences in place, it did not stop the likelihood of targeted attacks. A supplementary question was asked on whether the City of London has a cybersecurity policy and an incident response plan that includes the pension scheme data. Officers confirmed the Corporation has a cyber security plan and understood that storing data in the cloud reduces risk, which the corporation adheres to. Given the recent Transport for London cyber-attack, Officers agreed to investigate what the overall risk was for cyber security for the Corporation and look to re-word the risk on the Pensions Committee risk register to reflect the concerns raised.

A Member confirmed that the Town Clerk was looking into the issue of cyber security in relation to the organisation and its risk and was paying this issue considerable attention. Consequently, the Committee decided that Officers should reassess the current cyber rating, factoring in the Committee's concerns and contemplating an elevation of the risk level.

RESOLVED: That Members: -

- reviewed the existing risks and actions present on the Pensions Committee's Risk Register,
- agreed to a review of the cyber security risk
- confirmed that appropriate control measures are in place all other risks; and
- confirmed that there are no further risks relating to the services overseen by the Pensions Committee

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

11. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

12. **MINUTES**

The Pensions Committee considered agenda items 12-14 together.

RESOLVED: That Members: -

- That non-public minutes of the Pensions Committee meeting on 18 June 2024 were approved as an accurate record.
- That the non-public minutes of the Local Government Pensions Board meeting on 18 July 2024 be received.

15. PERFORMANCE MONITORING

The Committee received a presentation from Mercer concerning the Pension Fund Quarterly Monitoring Report for Q2 2024 and a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 31 July 2024.

16. OPEN ENDED INFRASTRUCTURE FUND

The Committee considered a report from the Chamberlain concerning three Open Ended Infrastructure funds, following the Committee's in-depth discussion at the June Committee meeting.

17. HARRIS & LCIV EQUITY VALUE MANAGER REVIEW

The Committee considered a joint report of the Chamberlain and Mercer which provided Members of the Committee with a comparative report between the Fund's current value manager Harris and the LCIV Global Equity Value Fund (managed by Wellington).

18. VERITAS & LCIV GLOBAL EQUITY QUALITY MANAGER

The Committee considered a joint report of the Chamberlain and Mercer, concerning a comparative review between the Fund's current quality manager, Veritas, and the London CIV (LCIV) Global Equity Quality Fund (managed by Morgan Stanley).

19. LCIV UPDATE

The Committee received a report of the Chamberlain concerning an update on the London CIV, the asset pool operator for London LGPS Funds and in which the Pension Fund invest some of its assets.

20. CASHFLOW

The Committee received a report from the Chamberlain concerning the cashflow for the Pension Fund for the four-year period 2024/25 to 2027/28.

21. PENSION FUND - DRAFT ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Committee received a report from the Chamberlain concerning the draft Pension Fund Annual Report for 2023/24, which included the Pension Fund accounts ended 31 March 2024.

22. NON-PUBLIC REPORT OF ACTION TAKEN

The Committee received a report of the Town Clerk, which advised Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b).

23. PENSION SCHEME ADMINISTRATOR'S UPDATE - NON-PUBLIC APPENDICES

The Committee received a non-public appendix which was read in conjunction with agenda item 6.

24. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

25. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were two items raised.

At this point in the meeting, in accordance with Standing Order No. 40, a decision was taken to extend the length of the meeting.

The meeting ended at 16:15

Chairman

Contact Officer: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

Agenda Item 4

Committee(s): Pensions Committee	Dated: 03/12/2024
Subject: Annual Review of the Committee's Terms of Reference	For Decision
This proposal: <ul style="list-style-type: none">• provides statutory duties• provides business enabling functions	N/A
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Town Clerk
Report author:	Raquel Pinto, Governance Officer

Summary

As part of the post-implementation review of the changes made to the City Corporation's governance arrangements in 2011, it was agreed that all Committees/Boards should review their terms of reference annually. This is to enable any proposed changes to be considered in time for the annual reappointment of Committees by the Court of Common Council.

The terms of reference of the Pensions Committee are attached as an appendix to this report for Members' consideration.

Recommendations

It is recommended that:

- the terms of reference of the Pensions Committee, subject to any comments, be approved for submission to the Court of Common Council in April, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman;

- Members consider whether any change is required to the frequency of the Committee's meetings.

Appendices

- Appendix 1 – Terms of Reference

Raquel Pinto

Governance Officer

E: raquel.pinto@cityoflondoncorporation.gov.uk

MAINELLI, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 25 th April 2024, doth hereby appoint the following Committee until the first meeting of the Court in April, 2025
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PENSIONS COMMITTEE

1. **Constitution**

A non-ward committee consisting of:

- Up to seven Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- Up to three independent members (i.e., non-Members of the Court of Common Council) co-opted to the Committee on the advice of the Chamberlain, with voting rights.

The Chairman and/or Deputy Chairman of the Local Government Pensions Board shall be permitted to attend the Committee on an observing capacity.

N.B. - No Member of the Pension Committee shall be a Member of the Local Government Pensions Board, or be the Chair or Deputy Chair of the Corporate Services Committee, the Finance Committee, or the Policy & Resources Committee simultaneously.

2. **Quorum**

The quorum consists of any three elected Members.

3. **Membership 2024/25**

- 3 (3) James Henry George Pollard, Deputy
- 3 (3) David James Sales
- 2 (2) Christopher Boden, Deputy
- 2 (2) Timothy McNally
- 3 (1) Timothy Butcher, Deputy
- 3 (1) Madush Gupta, Deputy
- 1 (1) Gregory Jones KC, Alderman

Together with the following independent Members referred to in paragraph 1 above:-

Independent Members

Clare James

4. **Terms of Reference**

To undertake statutory functions on behalf of the Local Government Pension Scheme (LGPS) and ensure compliance with the Local Government Pensions Scheme Regulations ("the Regulations"), relevant legislation, and best practice as advised by the Pensions Regulator.

To be responsible for: -

- a) formulating, publishing and periodically review strategies and policies around the Pension Fund, for example (but not limited to) investments, responsible investment, funding, and administration.
- b) selecting and appointing suitability qualified external service providers, such as investment managers and advisors as required.
- c) monitoring the Pension Fund's investment arrangements including asset allocation, the performance of investment managers and advisors, and asset pooling arrangements (noting that the Pension Fund is a shareholder of the London CIV pool).
- d) monitoring liabilities, making arrangements for the triennial actuarial valuation of the Pension Fund, and considering and approving the required employer contribution levels for each employer within the Fund.
- e) dealing with the admission and cessation of employers as and when necessary and to review the ability of admitted bodies to meet their obligations to the Pension Fund.
- f) ensuring the Corporation effectively discharges its obligations to scheme members and employers as an administering authority.
- g) considering and approving the Pension Fund's Annual Report as well as all other statutory statements required under the Regulations.
- h) working with, receiving and considering comments from the Local Government Pensions Board (a scrutiny and non-decision-making body established under the Regulations) in pursuit of good governance of the LGPS.
- i) ensuring that arrangements are in place for consultation with stakeholders as necessary.
- j) developing and maintaining the appropriate level of knowledge and understanding to carry out their duties effectively (including completion of the Pensions Regulator's Public Service toolkit).

NOTE: whilst it is the expectation and intention that corporate policies are applied in respect of the Pension Committee's activities, such matters must always be considered in light of the specific regulatory requirements that apply to the administration of the LGPS. Therefore, where relevant and insofar as such policies impact the Pension Fund, they will need to be reviewed by the Pension Committee.

PENSION COMMITTEE WORK PROGRAMME 2023/24

Timescale	Funding	Investment	Governance	Administration & Communication	Training Items #
Standing items		<ul style="list-style-type: none"> Investment Monitoring (inc. CAS update) LCIV/Pooling Update 	<ul style="list-style-type: none"> Work programme 	<ul style="list-style-type: none"> Administration Update 	
2024/25					
Q3 2024/25 (December)		<ul style="list-style-type: none"> Open-Ended Infrastructure Funding Options Investment Manager Review – Lindsell Train (included in Quarterly monitoring report) Investment Manager Review – C Worldwide Investment Manager Review – Ruffer 	<ul style="list-style-type: none"> Autumn Budget and Mansion House Update tPR General Code of Practice Compliance Breaches of Law update 		<ul style="list-style-type: none"> Triennial Valuation (Barnett Waddingham)
Q4 2024/25 (February)	<ul style="list-style-type: none"> Cashflow forecast 	<ul style="list-style-type: none"> Responsible Investment Policy Review* 	<ul style="list-style-type: none"> PRI Update Risk Register Investment Consultant Strategic Objectives Audit Findings Follow up Training Policy 	<ul style="list-style-type: none"> Pensions Administration Strategy Review Updates to member communication letters (if required) 	<ul style="list-style-type: none"> Responsible investment/climate action (in house)
2025/26					
Q1 2025/26 (July)					<ul style="list-style-type: none"> Pooling (LCIV)
Q2 2025/26 (September)	<ul style="list-style-type: none"> Cashflow forecast 		<ul style="list-style-type: none"> Risk Register 		

In addition to training provided either in house or by third party organisations, all Members will be expected to register for tPR online training and complete the modules in respect of **public sector pension schemes** within 12 months of joining the Committee. Members are also required to complete the Barnett Waddingham 'Enlighten!' online training within 12 months.

*Responsible investment activities are undertaken in conjunction with Investment Committee.

Notes

Future Triennial Review to be taken at same time as Investment Strategy review (2025).

Cashflow forecast and Risk Register are reviewed every 6 months.

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City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 03/12/2024
Subject: Pensions Scheme – Administrator’s Update	Public report: For Information
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of:	The Chamberlain
Report author:	Graham Newman – Chamberlain’s Department

Summary

The administration of the City of London Local Government Pension Scheme (the Scheme) is undertaken by the Pensions Team within the Chamberlain’s Department.

The table below provides a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting on 18 June 2024. Members are asked to note the report and provide feedback.

Item	Update
Annual schedule of events for the administration of the Pensions Scheme	Appendix A provides details of the events / dates that form the main diary of the Scheme administration.
Information of Scheme Record Keeping	<p>As the Scheme’s administrating authority, the City is responsible for making sure the scheme has good records.</p> <p>The City is required to ensure it has accurate, complete and up-to-date records and should have controls and processes in place to maintain these standards.</p> <p>Failure to maintain complete and accurate records can risk not meeting legal obligations as set by the Pensions Regulator which could lead to fines and/or enforcement action being taken.</p>

	The City's scheme data is measured once a year and the data scores are submitted to the Pensions Regulator (tPR) in the annual scheme return.
Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)	<p>Since the last Committee meeting here have been 2 Stage One IDRP applications and 2 at Stage Two.</p> <p>A breakdown of the IDRP applications is included at Appendix B on the non public agenda.</p>
Public Service Pensions Reporting Breaches of Pension Law	<p>One to report. One of the scheme's employers did not provide the necessary year end data to allow Annual Benefit Statements to be produced for members of the pension scheme within that employer.</p> <p>The breach has been reported to the Pensions Regulator.</p>
Any audit reports relating to the administration of the Scheme	None to report.
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Guaranteed Minimum Pensions (GMP) Reconciliation	The project is still ongoing. A report will be brought to the Committee once the reconciliation has been completed.
Pension Administration System	<p>The Pensions Office has rolled-out an Online Member Portal which allows members to access their pension record, make amendments to selected personal data (i.e. name and death grant nominees) and to run their own retirement estimates.</p> <p>The portal was used for providing the 2024 annual benefit statements and provides a potential platform for future bulk mailings.</p> <p>The system has been rolled out to all active scheme members and is now also available to retired and deferred members. An advertising campaign to City Pensioners will begin shortly to encourage sign-up, but will make it clear that this is not compulsory.</p> <p>A similar campaign for the deferred members will follow on from this.</p>
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>With effect from April 2015 (April 2014 for the LGPS) all public sector pension schemes were subjected to reforms that changed the way benefits were accrued and the date from which they would become payable.</p>

		<p>However, the legality of these reforms was successfully challenged and they were found to be discriminatory on the grounds of age. This challenge came to be referred to as 'McCloud'.</p> <p>The government consulted on what method of 'Remedy' should be used to remove the discrimination and on 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to set out the intention of the 'McCloud Remedy' and implement it in the public service pension schemes.</p> <p>Further consultation determined the form the Remedy would take in respect of the LGPS and the regulations were formally laid and then implemented with effect from 1 October 2023.</p> <p>For active scheme members retiring after the implementation date, their McCloud eligibility will be assessed by the Pensions Office and if appropriate their benefits will be based upon the terms of the Remedy. In addition, from September 2025 onwards, all Annual Benefit Statements issued to active and deferred members must include details in respect of the Remedy and how it affects their individual benefits.</p> <p>With regards to retired members, all retirements since the introduction of the career average scheme in April 2014 will need to be assessed for eligibility for the McCloud Remedy. For those deemed to be eligible, their benefits in payment will need to be recalculated under the terms of the Remedy and any appropriate adjustments made and arrears paid. This process will also apply for the pensions being paid to the survivors/dependants of an eligible member who passed away before the Remedy was implemented.</p> <p>The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis.</p> <p>The Pensions Office, in conjunction with each individual Scheme employer, is currently compiling the details of all retirements since April 2014 to assess eligibility and begin the process of re-calculating benefits where appropriate. Active and deferred scheme members must be provided with details by 31 August 2025 and it is expected that all retired scheme member will have been contact by then.</p> <p>Updates regarding the implementation of the McCloud Remedy will continue to be brought to each Committee meeting.</p>
Pension Training	Committee	<p>All Members of the Committee are expected to register for tPR online training and complete the modules in respect of <u>public sector pension schemes</u>.</p> <p>The link for the online training is: https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes</p> <p>Following a trial period by officers, Members of the Committee have agreed to complete the online LGPS training that has been created</p>

	<p>by our actuary Barnett Waddingham. The training module is called 'Enlighten' and is specifically directed at LGPS Committees, Boards and officers. There are currently three courses available; each consisting of several bitesize videos and followed by a quiz.</p> <p>Details in respect of training modules completed by each Member are included on the non-public agenda (Appendix C).</p> <p>Members are expected to re-do the tPR training modules every 3-5 years.</p>
Pensions Office Key Performance Indicators	<p>As requested at the Committee meeting of 29 November 2022, Appendix D provides statistics in relation to the performance of the Pension Scheme Administration.</p> <p>The working processes followed by the Pensions Team are regularly reviewed to ensure the statistics accurately reflect the work involved.</p>
Pensions Dashboards	<p>Introduced by the Department for Work and Pensions (DWP), Pensions Dashboards have been designed to provide an online platform that will allow individuals to access details of their accrued pension benefits from multiple sources in one place. The intention is to support better planning for retirement, and help individuals reconnect with any pension pots they may have lost over time.</p> <p>In respect of Public Sector Pension Schemes, the initial expectation was that schemes would be required to connect to the online dashboard infrastructure by 30 September 2024.</p> <p>However, a written Ministerial Statement made on 2 March 2023 stated that delays setting up the dashboard programme has meant that the original timetables have been re-considered.</p> <p>A revised staging timetable has been set out in guidance with all schemes in scope given a single connection deadline of 31 October 2026, by which time they are legally required to be connected to the pensions dashboard ecosystem and be ready to respond to requests for pensions information.</p> <p>However, the guidance also sets out a staging timetable which provides a recommended connection date based upon scheme size and type – the connection date for public sector pension schemes is 31 October 2025.</p> <p>The Pensions Regulator (TPR) updated its 'Failing to comply with dashboards duties' guidance in June 2023: (https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties). The purpose of the guidance is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable that will be set out in the connection guidance.</p> <p>TPR expectations of schemes to show they 'have regards to the connection guidance' includes:</p> <ul style="list-style-type: none"> • Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR.

	<ul style="list-style-type: none"> • A revised staging timetable is set out in guidance which indicates when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach. • Although the timelines in the guidance are not mandatory, schemes will be expected to demonstrate how they have had regard to the guidance. • A phased approach to staging enables a controlled and well-planned connection, reduces the risk of provider capacity constraints and means savers can realise the benefits of dashboards as early as possible. • Continuing to prepare for dashboards by engaging with those who will support them and their dashboard duties. <p>The Pensions Dashboards Programme (PDP) has updated their FAQs to reflect the new connection deadline announcement https://www.pensionsdashboardsprogramme.org.uk/faqs/</p> <p>The National LGPS Framework was set up to provide procurement facilities for all LGPS Funds to allow for an efficient route for sourcing external services by a compliant route.</p> <p>There are several Integrated Service Providers (ISPs) listed on the National LGPS Framework and the Pensions Office has started the process of making contact with these providers as a first step towards ensuring compliance with the staging deadline.</p> <p>It should be noted that this project will be carried out in conjunction with the administration of the Police Pension Scheme and is not 'stand-alone' for the Local Government Pension Scheme.</p> <p>Updates regarding the progress being made in respect of the Dashboards project will be brought to each Committee meeting.</p>
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Recommendation

The Committee is asked to note the report and provide any feedback in relation to this information.

Appendices:

Appendix A – Annual Schedule of Events (Administration)

Appendix B – IDRPs received by the Pensions Office (NON PUBLIC)

Appendix C – Member Training (NON PUBLIC)

Appendix D – KPI Details

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Local Government Pension Administration - Schedule of Events 2024/25

Date Due	Event	Completed
30 September 2023	Employee Contribution Band review	29 September 2023
5 October 2023	Issue of Annual Allowance (AA) Saving Statements deadline	4 October 2023
November 2023	Tax return for Quarter 2 (to 30/09/2023)	18 October 2023
1 December 2023	Publication of 2022/23 Pension Fund Accounts and Annual Report	2022/23 City Fund Accounts formally signed off 26 February 2024.
25 January 2024	Scheme Return to the Pensions Regulator	25 January 2024
31 January 2024	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	31 January 2024
February 2024	Tax Return for Quarter 3 (to 31/12/2023)	31 January 2024
1 April 2024	Employee Contribution band review/implementation.	1 April 2024
6 April 2024	Revaluation of CARE benefits.	6 April 2024
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	8 April 2024
May 2024	Tax return for Quarter 4 (to 31/3/2024)	30 May 2024
31 May 2024	Pensioner P60s distributed	24 May 2024
31 May 2024	Publish draft City Fund Accounts 2023/24 (including the Pension Fund Accounts)	31 May 2024
June/July 2024	Year-end data to the pension fund's actuary	April/May 2024
August 2024	Tax return for Quarter 1 (to 30/06/2024)	13 August 2024
31 August 2024	Issue of Annual Benefit Statements deadline.	31 August 2024
30 September 2024	Employee Contribution Band review	30 September 2024
5 October 2024	Issue of Annual Allowance (AA) Saving Statements deadline	25 September 2024
22 November 2024	Scheme Return to the Pensions Regulator	
November 2024	Tax return for Quarter 2 (to 30/09/2024)	
1 December 2024	Publication of 2023/24 Pension Fund Accounts and Annual Report	
February 2025	Tax Return for Quarter 3 (to 31/12/2024)	

Appendix A

31 January 2025	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
February 2025	Tax Return for Quarter 3 (to 31/12/2024)	
1 April 2025	Employee Contribution band review/implementation.	
6 April 2025	Revaluation of CARE benefits.	
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	
May 2025	Tax return for Quarter 4 (to 31/3/2025)	
31 May 2025	Pensioner P60s distributed	
31 May 2025	Publish draft City Fund Accounts 2024/25 (including the Pension Fund Accounts)	
June/July 2025	Year-end data to the pension fund's actuary	

City of London Local Government Pension Scheme - Administration Key Performance Indicators

Task	Target (Working Days)	Result 2023/24	Result 2022/23	Result 2021/22
Initial payment of retirement benefits	5 days*	94.32%	97.35 %	98.61 %
Process refund and make payment	5 days	95.79%	94.85 %	98.44 %
Statement notifying estimate of retirement benefits	20 days	96.57%	97.04 %	96.17 %
Statement detailing transfer-in credit	20 days	100.00%	100.00 %	100.00 %
Transfers-out payments	20 days	100.00%	100.00 %	100.00 %
Answering general correspondence:	10 days	94.99%	96.50 %	96.83 %
Payment of lump sum death grants:	14 days	100.00%	92.59 %	100.00 %
Letters to dependants in respect of benefits due:	5 days	94.74%	98.36 %	94.44 %

Task	Target (Working days)	Quarter 1 01/04/2024 – 30/06/2024	Quarter 2 01/07/2024 – 30/09/2024	Number of cases in Quarter 2	Running total for the year 01/04/2024 – 30/09/2024
Initial payment of retirement benefits	10 days*	95.35%	93.48%	46	94.38%
Process refunds and make payments	5 days	90.91%	91.67%	12	91.30%
Statement notifying estimate of retirement benefits	20 days	94.92%	97.56%	41	96.00%
Statement detailing transfer-in credit	20 days	96.55%	97.92%	48	97.40%
Transfers-out payments	20 days	100%	100%	25	100.00%
Answering general correspondence	10 days	96.06%	97.50%	160	96.86%
Payment of lump sum death grants	14 days	100%	100%	3	100.00%
Letters to dependant's in respect of benefits due	5 days	100%	100%	17	100.00%

* At the June 2024 Committee meeting, Members agreed to change the target for the initial payment of retirement benefits from 5 to 10 working days. Statistics shown for 2023/24 and earlier are based upon the 5 working days target. Statistics from April 2024 onwards have been collated based upon the revised timeframe.

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City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 03 December 2024
Subject: General Code of Practice Compliance Review – Barnett Waddingham’s Review	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

In January 2024, the Pensions Regulator (tPR) released the General Code of Practice (the code). The code came into force on the 27 March 2024 replacing the ‘Code of Practice 14’ for Public Sector Pension Schemes and combining ten tPR codes into one single code. This report provides a review undertaken by Barnett Waddingham on the City of London Pension Fund’s compliance with the code.

Recommendations

Members are asked to review and agree the following actions to ensure compliance with the code:

1. The following documents/ policies will be drafted on the following areas, which have been flagged as **red or amber**, and brought back to the February 2025 Committee meeting (page numbers refer to the Appendix):
 - i. A Training Policy which will address the tPR’s expectations (Page 9);
 - ii. A document setting out the processes for monitoring, reviewing and protecting scheme data (Page 27);
 - iii. A revised Administration Strategy to include details of third-party providers and expectations for these providers (Page 27) and to highlight roles and responsibilities in relation to Scheme returns (Page 39 and 40); and
 - iv. An updated Pensions Committee Risk Register to include ‘Scams’ and mitigation processes in more detail under Fraud (CHB Pensions 005) (Page 36).

2. The following documents/policies will be drafted/updated on the below areas which have been flagged as **green**. These will be brought to Committee in due course (page numbers refer to the Appendix):
 - i. Create an IT systems process and controls document (also in accordance with the Pension Fund's external audit recommendations) (Page 25);
 - ii. Create a document to cover the steps taken around Transfers Out including:
 - a. To ensure as much as possible that scheme members are made aware of potential scams and take the necessary steps to protect themselves (Page 26); and
 - b. Process and transfer of contributions (Page 35);
 - iii. Update the Administration Strategy to include the processes for receiving and monitoring contributions (Page 31); and
 - iv. Update the Communications Policy to include reference to benefit statements provided by AVC providers (Page 33);

Main Report

1. In January 2024, the Pensions Regulator (tPR) released the General Code of Practice (the code). The code came into force on the 27 March 2024 replacing the 'Code of Practice 14' for Public Sector Pension Schemes and combining ten tPR codes into one single code.
2. The Code has fifteen sections, with each section containing between one to nine modules. In total there are 53 'modules' to comply with. The full code of compliance can be found [here](#). The code applies to governing bodies of occupational, personal, and public service pension scheme, setting out expectations of the conduct and practice governing bodies should meet to comply with their duties in pension legislation. Some legal obligations do not apply to all types of governing bodies or schemes.
3. The City's Actuary, Barnett Waddingham (BW), have analysed the code identifying areas which are relevant to the Local Government Pension Scheme. Working with Officers, BW have undertaken a GAP analysis and identified which of the Fund's policies are compliant with the code and where action is needed. Their report (General Code of Practice Compliance Review) is attached as an Appendix. Officers have included comments within the BW report where suggested/required action has been identified.
4. BW's summary follows a RAG rating, and the findings are summarised below.

RAG Rating	Module Count (Percentage)
Red	3 (5.7%)
Amber	4 (7.5%)
Green	34 (64.2%)
N/A ¹	12 (22.6%)
Total	53 (100%)

¹ Not Specifically applicable to the LGPS or do not need to be individually assessed.

5. During BW's compliance check, of the 53 modules, the Pension Fund (the Fund) has received 3 red and 4 amber ratings. A **red** rating means that '*the Fund does not comply with the Code and action is required*' and an **amber** rating means that '*the expectation does not apply to the LGPS but the Fund may wish to comply with this expectation as a matter of good practice*'. The following areas have been flagged under red/amber and Officers responses along with the proposed remedial action have been made in the report attached.

Status of Fund against code	Module (Page numbers refer to pages in the Appendix)	tPR's expectations	Suggested/ Required Actions	CoL Comment
Red	Data monitoring and improvement (Page 27)	This module sets out TPR's expectations for governing bodies for the purpose of maintaining complete and accurate data. It focusses on the processes for monitoring, reviewing and protecting scheme data.	Fund to confirm if there are data monitoring and improvement plans, documents or policies in place.	The City of London completes the annual tPR Scheme Return in respect of the LGPS. The Return requires details of the 'Data Scores' of the scheme. There are currently no policies in place with regards to improving Data Scores. A document will be drafted focussing on the processes for monitoring, reviewing and protecting scheme data.
	Registrable information and scheme returns (Page 39)	Governing bodies must provide all registrable information when registering the scheme and to update such information within 5 working days of it becoming aware of a change.	We would suggest that the Fund update governance documents to highlight roles and responsibilities to address this module.	The completion of the Scheme return is noted on the Annual Schedule of Events, an appendix that accompanies the Administrator's report to both the Pensions Committee and Local Government Pension Board. These processes are currently carried out by the Administration Manager however the roles and

				responsibilities are not documented in any policy. Officers will add this to the Administration Policy which will be brought back to Pensions Committee.
	Scheme returns (Page 40)	Governing bodies must complete a scheme return. Governing bodies are accountable for the information contained in the scheme return and they should have measures in place to review and ensure the accuracy of the information to be submitted is correct and that the return is submitted in time.	As above	As above
Amber	Knowledge and Understanding (Page 9)	This module sets out the expectations that trustees should follow including having a list of matters they need to be familiar with and to audit and review the skills of the governing body to identify gaps. There is a list of topics that anyone with a requirement for knowledge and understanding should have a working knowledge of.	<p>The Fund may wish to make any Training Policy a publicly available document. If there is not a policy in place the Fund should adopt one.</p> <p>The Policy should ensure that it covers the expected requirements of members and other key stakeholders.</p>	Officers are preparing a Training Policy which will address the TPR's expectations. The Training Policy will be brought to the Pensions Committee and Local Government Pensions Board for review.
	Governance of knowledge and understanding (Page 9)	This module sets out expectations for governing bodies to maintain, develop	As above	As above

		and show knowledge and understanding. There are several lists setting out how the governing body should operate to use and retain knowledge and understanding, invest time to develop knowledge and keep records to assess gaps and overall compliance with knowledge and understanding.		
	Record keeping (Page 27)	This module sets out TPR's expectations on the governing body's need to maintain complete and accurate records and covers record keeping, administrative systems and data from other parties.	The Fund may want to expand the Administration Strategy to provide more information on the system and processes in place. Highlighting third-party providers of administrative systems.	Third party provider details and requirements will be added to the Administration Strategy. The Administration Strategy will be brought to the Pensions Committee for Review.
	Scams (Page 36)	This module sets out TPR's expectations on a scheme's internal controls to mitigate the risk of scams	The Fund should update the Risk Register to include pension scams as a key risk and the process and to mitigate the risk of potential scams.	The Pensions Committee Risk Register currently includes a risk for Fraud (CHB Pensions 005), this will be expanded to include Scams and mitigation processes in more detail. The Risk Register is brought to the Pensions Committee every 6 months.

6. The following areas have been flagged as '**green**' by Barnett Waddingham, a 'green' rating means that '*the Fund complies with the Code and no further action is required at this time*', however BW have outlined some suggested actions. Officers

have proposed implementing/updating documentation to include the following areas to ensure the Pension Fund remains compliant and continues to meet expectations.

Status	Module (Page numbers refer to pages in the Appendix)	tPR's expectations	Suggested/ Required Actions	CoL Comment
Green	Financial Transactions (Page 25)	<p>This module sets out TPR's expectations around transactions which involve the processing of money. The module focusses on the two key areas:</p> <p>Governance processes and IT systems – understand the administrator's processes and controls including authorisation, reviews of processes, standards and service level agreements, management of employer contributions.</p>	The Fund to confirm the processes and controls in place to manage IT systems and service level agreements.	A formal IT systems process and controls document was suggested by the most recent Pension Fund external audit. This document will be produced by Officers.
	Transfers Out (Page 26)	This module sets out the expectations around the processes and checks that a governing body should undertake before permitting a transfer out of the scheme to go ahead. This includes checking the statutory requirements are met and be vigilant of scams and there is also a separate list of expectations for transfer to	Fund to confirm that processes and policies are in place for the transfer of pensions out of the Fund.	The City of London follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken to ensure as much as possible that scheme members are

		defined contribution schemes.		made aware of potential scams and take the necessary steps to protect themselves.
	Receiving Contributions (Page 31)	This module sets out the processes that governing bodies <i>must</i> have in place to monitor contributions and transmission of payment information between employer, members, and administrator.	The Fund may wish to update the Administration Strategy to include the processes to receiving contributions.	The Administration Strategy will be amended to outline the processes for monitoring contributions. The Administration Strategy will be brought to the Pensions Committee for Review.
	Annual pension benefit statements (Page 33)	Governing bodies of certain schemes <i>must</i> provide annual benefit statements to members.	The Fund may wish to update the Communications Policy to highlight that benefit statements are provided by the AVC providers to make this clear to the Fund members.	Officers will amend the Communications Policy to include reference to benefit statements in relation to AVCs being provided by AVC providers.
	Notification of right to cash transfer sum or contribution refund (Page 35)	This module broadly follows the legislation relating to cash transfer sums or contribution refunds.	We would expect the Fund to have processes for the transfer and refund of contributions process. Fund to confirm.	The Fund follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken.

Conclusion

7. The City of London Corporation Pension Fund has received a 'green' rating on 34 modules, 'amber' on four modules and 'red' on three modules for those that are applicable to the LGPS in relation to compliance with the General Code of Practice (the code).
8. In order to ensure that the Fund is complying with the code and continues to remain compliant and meet expectations, Officers will be reviewing and updating key documents and policies, creating new ones where required. The 'red' and 'amber' documentation will be brought to Committee in February 2025, and the 'green' documentation will be brought to Committee in due course.

Appendices

- Appendix – Barnett Waddingham's General Code of Practice Compliance Review

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City of London Corporation Pension Fund General Code of Practice compliance review

Gavin Paul | Associate (Senior Pensions Consultant)

19 November 2024



Contents

This report is divided into the following sections:

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Executive Summary

Overall, having considered the expectations of the Pension Regulator’s General Code of Practice, we found that the Fund has strong processes, policies and procedures in place for the majority of the modules that we have been able to assess. We did find that there were some gaps in the Fund's current processes in relation to specific modules which have been highlighted in the framework below. In summary:

- The table (right) highlights that 64% of the modules looked to meet the TPR’s expectations, however, it should be noted that a number of the items are not publicly available and in some areas, a level of assumptions has been factored into the rating (for example, see our comments against the “internal controls” and “Assurance reports on internal controls” sub-modules under “The governing body: risk management” module).
- For modules that are not specifically expected to apply to the LGPS, the Fund may wish to consider amending documents, policies and process to ensure best practice.

Next steps

The Fund has identified specific actions as part of its current documents, processes and policies which have been summarised in this report and form part of its ongoing commitment to adapt and evolve its procedures in line with changing circumstances. It is recommended that the framework included within this report be considered a “living” document and updates to the framework should be completed periodically. For the next steps, we would recommend that Officers:

- Update key documents and policies to ensure full compliance with the requirements of the General Code.

- Build in review cycles for each module in order to ensure policies, processes and procedures remain relevant and continue to meet the expectations.



RAG Rating	Module count (Percentage)
Red	3 (5.7%)
Amber	4 (7.5%)
Green	34 (64.2%)
N/A*	12 (22.6%)
Total	53 (100%)

*Not specifically applicable to the LGPS or do not need to be individually assessed



Introduction

This document has been prepared by Barnett Waddingham for the City of London Corporation Pension Fund (Fund). It sets out our views on whether the Fund complies with the Pension Regulator’s General Code of Practice and if not, we identify what the Fund should do next.

The Pension Regulator’s General Code of Practice came into force on 28 March 2024. The Code applies to governing bodies of occupational, personal, and public service pension schemes and sets out the Pension Regulator’s expectations of the conduct and practice governing bodies should meet to comply with their duties under pensions legislation. Not all the expectations apply to the Local Government Pension Scheme, and we have identified those which apply and those which do not. In addition, some of the expectations are compulsory which is where they reflect a legislative requirement while others are described as “good practice” which is where the expectation does not directly apply but the Regulator suggests funds should consider adopting them.




Using this document

We have identified the expectations set out within the Code and in the following table have given our view on whether the Fund complies or not and what steps (if any) the Fund should take to meet the expectations. To help the Fund we have included a colour indicator so you can see immediately our view on compliance and, where we think the Good Governance Review might impact upon the review, we have added a comment against each expectation. Following the change in Government in July 2024, we await clarification of the new minister’s intentions regarding their approach to the Good Governance recommendations. Due to this uncertainty, we recommend that the Fund pushes ahead with any changes to policies, procedures and/or documents to ensure compliance with the Code and not await the Good Governance recommendations.

This review should be a “living” document which evolves over time to reflect any changes in the way the Fund operates, changes in legislation or because of the Regulator updating its Code from time to time.


The definitions used are set out at the end of the document.

Key to colours


Colour	Meaning
	The Fund complies with the Code and no further action is required at this time
	The expectation does not apply to the LGPS but the Fund may wish to comply with this expectation as a matter of good practice
	The Fund does not comply with the Code and action is required






The governing body: Board structure and activities

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Role of the governing body	<p>The module describes the "governing body" of a public service pension scheme as the scheme manager. With the LGPS, the scheme manager will be the administering authority.</p> <p>It sets out 10 expectations for how "trustees of trust schemes" should act and suggests they are "appropriate standards for the governing body of other schemes" (which suggests it would include the LGPS).</p> <p>Expectations include acting in the interest of scheme members, knowledge and understanding, act in accordance with the rules and act honestly</p>	<p>Good practice: The expectations do not directly apply because the LGPS is not a trust scheme but says the expectations for trustees also "represent appropriate standards for the governing body of other schemes".</p> <p>The module says "A pension board must have an equal number of employer and member representatives."</p>		<p>Pension Fund Committee Terms of Reference Pensions Committee TOR</p> <p>Pension Board LGPB -TOR</p> <p>Members' Code of Conduct- Members' Code of Conduct</p> <p>The links to the PFC and PB web pages outline the membership, and voting processes. The attached code of conduct provides the expectations that Members are bound to follow.</p> <p>Committee details - Panel of Independent Persons - Modern Council</p> <p>The Members are subject to a Panel of Independent Persons. Its purpose is to receive allegations of misconduct under the Members' Code of Conduct, facilitate informal resolution where appropriate</p>	Unlikely even though there are a number of areas under the Review which cover similar expectations.	None.	N/A




Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	with integrity, competence and capability.			Annual Report for the City of London Pension Fund Included in the Report and accounts is the Policy and Governance Compliance Statement.			
Recruitment and appointment to the governing body	This module relates to processes for recruiting and appointing persons to the governing body. It lists 9 features that any such process should have.	Partial: – Pension Committee (or similar) recruitment is subject to policies in accordance with appropriate legislation, however it says this module “also applies to <i>public service pension boards</i> .”		Pensions Committee TOR Appointment process covered within the Terms of Reference LGPB -TOR PB Terms of reference cover the recruitment process for the PB and further details are set out here - Local Pension Board City of London Pension Fund	Potentially. The Review suggests that each fund will be required to publish a policy on the representation of scheme members and non-administering authority employers on its committees explaining its approach to representation and voting rights for each party. Also, one of the KPIs in the Review deals with attendance at meetings.	None	N/A
Arrangements for member-nominated trustee appointments	This module sets out the expectations for the processes to appoint member-nominated trustees.	No. The LGPS does not have trustees, member nominated or otherwise, this section relates to private sector occupational pension schemes.	Not applicable	Not applicable	No	Not applicable	N/A

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Appointment and role of the Chair	This module sets out expectations for the appointment and role of the chair	Good practice: The expectations do not directly apply however as chair appointments are within the gift of each LGPS administering authority the module could be a useful marker.		Pensions Committee TOR LGPB -TOR PB Chair appointment process covered in terms of reference Standing Orders of the Court of Common Council – sets out the role of the chair	No	The Fund should consider updating the Pension Committee TOR to include the appointment process for the Chair.	The Pension Committee follows the standing orders of the Court of Common Council and therefore it is not appropriate to amend the TOR.
Meetings and decision-making	This module sets out expectations for meeting procedures – arrangements for meetings and record keeping. It sets out what must be included in their meeting records (Regulation 6 of the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014). In addition to the legislative	Partial – Regulation 6 refers only to pension boards. Committee or similar bodies are subject to arrangements for meetings and decision making as set out under relevant local government or other legislation		Browse meetings - Pensions Committee - Modern Council PFC record of meetings Browse meetings - Local Government Pensions Board - Modern Council Written records of meetings are publicly available on the Administering Authority webpage.	Potentially. Amongst the KPIs in the Review are ones dealing with attendance at meetings and the time spent on different areas of governance. Further, the proposal under the Review to appoint a "LGPS senior officer" (who will be required to lead and take responsibility for the delivery of the LGPS function) may also affect the meeting process.	The Fund should outline the decision-making process within key governance documents (see role of governing body module)	N/A

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	requirements, it sets out matters that governing bodies, when running and planning meetings, should do e.g. frequency and length of meetings, standing items, keep records of decisions, conflicts of interest, risk register etc						
Remuneration and fee policy	This module sets out expectations around a governing body's remuneration policy. The module is for schemes required to operate an effective system of governance. It sets out what should be in a remuneration policy.	Good practice. The module says "Other schemes may wish to adopt these principles as good practice."		Allowances/Remuneration for Elected Members The attached paper contains the rules and payment process of Member allowances and remuneration. Becoming a councillor - City of London The Fund has on its webpage guidance on the payment of expenses to its Members. We understand remuneration in general is a matter for the Corporation to determine.	No	None- The Fund does not need to comply with this module - this is a matter of good practice and is not a "must" requirement of the Code for the Fund.	N/A – Remuneration is per the City of London Corporation's policy

The governing body: Knowledge and understanding requirements

Module	TPR's expectations	Application to the LGPS	Status of Fund against Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Knowledge and understanding	<p>This module sets out the expectations that trustees should follow including having a list of matters they need to be familiar with and to audit and review the skills of the governing body to identify gaps. There is a list of topics that anyone with a requirement for knowledge and understanding should have a working knowledge of.</p>	<p>Yes, with exceptions.</p> <p>The module says <i>"the requirements for knowledge and understanding fall on pension board members. It is good practice for the scheme managers to achieve at least basic competence."</i></p> <p>The obligation falls on the pension board.</p> <p>It is "good practice" for the scheme managers.</p> <p>Pension boards should tailor the list of topics according to their circumstances, but some are expressly excluded such as "principles of investment".</p>		<p>(Public Pack)Agenda Document for Local Government Pensions Board, 18/07/2024 13:45</p> <p>We have been unable to locate specific training policies for the Members. However, it is noted that in the minutes of meetings, training is provided via Barnett Waddingham.</p> <p>The Minutes indicate that Members of the Board are expected to complete TPR training modules.</p>	<p>Yes. The Fund should draft a policy which covers the requirements of the Code and the Review. The Review goes further than the Code in that, for example, it also addresses training needs for s151 officers.</p> <p>One of the KPIs under the Review concerns training and expertise – hours of relevant training and the experience across the senior management team.</p>	<p>The Fund may wish to make any Training Policy a publicly available document. If there is not a policy in place the Fund should adopt one.</p> <p>The Policy should ensure that it covers the expected requirements of Members and other key stakeholders.</p>	<p>Officers are preparing a Training Policy which will address the TPR's expectations. The Training Policy will be brought to the Pensions Committee and Local Government Pensions Board for review.</p>



Governance of knowledge and understanding

This module sets out expectations for governing bodies to maintain, develop and show knowledge and understanding. There are several lists setting out how the governing body should operate to use and retain knowledge and understanding, invest time to develop knowledge and keep records to assess gaps and overall compliance with knowledge and understanding.

Yes, with exceptions.

It applies "...to the **pension boards** of public service pension schemes." *"It is important that the.... pension board can demonstrate that, as a group, they possess the skills, knowledge, and experience to run the scheme effectively."*



As above

Yes. The Fund should draft a policy which covers the requirements of the Code and the Review. The Review goes further than the Code in that, for example, it also addresses training needs for s151 officers.

As above.


Per above comment.

The governing body: Value for scheme members



Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Value for members	This module requires the governing bodies of trust-based DC occupational pension schemes should assess, determine, and manage the costs/expenses borne by members represent good value for money.	No. Applies to trust-based occupational pension schemes providing DC benefits.	Not applicable	Not applicable	No	Not applicable	N/A






The governing body: Advisers and service providers


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Managing advisers and service providers	This module sets out TPR's expectations for the selection, appointment, management and replacement of professional advisers and service providers. The module covers procurement, monitoring performance, management of a provider and the replacement of a provider whether at the end or during a contract.	Good practice i.e. "Other schemes may wish to consider [using the processes set out in the module] as good practice."		IC objectives The Fund complies with regulation and has in place objectives for the Investment consultant.	Potentially, because the KPIs include a number based on service delivery and process delivery i.e. retirements processed within an SLA. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	This is not a "must" requirement under the Code, but the Pension Fund may choose to adopt the requirements of this module. The Fund may wish to include a high-level summary on the procurement and appointment process of advisers and may wish to provide more details on how other key advisers are monitored.	N/A – The Fund follows the City of London Corporation's Corporate Procurement policy

The governing body: Risk management

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Identifying, evaluating, and recording risks	<p>This module sets out TPR's expectations for governing bodies to identify and record risks and to regularly review and evaluation those risks.</p> <p>The module sets out a list of potential risks and how to evaluate those risks.</p>	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).</p>		<p>Risk register</p> <p>The Risk register is reviewed on a frequent basis- PB reviews at every meeting.</p>	Potentially but we expect the Code and Review requirements to dovetail. In the section "Service delivery for the LGPS Function", it lists the review of the risk register as a KPI. Also, one of the responsibilities of the proposed "LGPSin senior officer" is to manage the delivery of the LGPS function to meet SLAs.	The Fund may wish to adopt a dedicated Risk Management Policy which would include wording on the identification process of the Fund's key risks.	N/A – The Fund follows the City of London Corporation's Risk Management Policy.
Internal controls	<p>Having identified and evaluated the risks, the governing body should put in place internal controls to reduce the incidence and impact of those risks.</p> <p>The module says governing body's</p>	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements</p>		We understand internal controls are built into working practices. The Council's internal audit team undertakes audits on a cyclical basis, and these could include audit or pension fund processes. Assurance around internal controls is also provided following reviews of	No	The Fund can address this module by ensuring that records of audit and assurance reporting and policies are retained and is accessible to	Officers maintain a shared folder structure enabling easy access for such requests.

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	internal controls should include a clear separation of duties for those performing them and process for escalation and decision-making and require the exercise of judgment in assessing the risk profile and designing appropriate controls for the scheme.	which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).		specific areas undertaken by external audit		requests by another party such as The Pensions Regulator.	
Assurance reports on internal controls	This is the process of analysing procedures to assess whether the scheme or service provider meets the relevant legislative requirements on internal controls. Procedures include statutory and internal audit, and assurance reporting by service providers or as commissioned by the governing body.	<p>Yes. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p> <p>There are additional statutory requirements which apply such as Part 2 of the Accounts and Audit Regulations 2015 (Internal control).</p>		<p>We were unable to locate any specific documents specifically for internal audit reports.</p> <p>Annual Report for the City of London Pension Fund</p> <p>Included in the Report and accounts is the Risk Management processes and role conducted by the internal audit team.</p>	The Review is unlikely to add any further obligations, but it is worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	None, The Fund should ensure that all documents relating to assurance reporting are available for third-party requests (for example, TPR)	Per above comment.

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Scheme continuity planning	TPR expects governing bodies to develop and implement continuity plans to counter disruption to the scheme's activities.	Good Practice. Not a part of TPR's expectations for public service pension schemes " <i>..but it is good practice for them to consider carrying out continuity planning in the same way.</i> "		It would be expected that the Fund falls under the contingency planning of the Administering Authority. The Fund considers risks to IT and has in place current controls to mitigate risks.	Unlikely – the Review lists this as a KPI but defers to the Code.	The Fund may wish to adopt its own continuity planning document to ensure that pension-specific items are covered.	Officers will consider formalising a continuity planning document.
Conflicts of interest Governing bodies	TPR expects governing bodies to establish internal controls to identify and record conflicts of interest	Partially. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls. Good practice. Where conflicts of interest are not within section 249B, it is good practice to adopt the measures. In addition to the above, these already apply to the administering authority:		Committee details - Local Government Pensions Board - Modern Council The administering authority publishes on the webpage the PFC registered conflicts as well as a documented code of conduct Pensions Committee TOR Committee details - Panel of Independent Persons - Modern Council The Panel of Independent Persons also review any allegations of misconduct.	Yes. It is anticipated that the administering authority will need to publish a specific conflicts of interest policy with a particular focus on conflicts which arise because of the authority managing its pension fund in the local government environment. Many of the recommendations have been put forward by the Government in its consultation " <i>Local Government Pension Scheme (England and Wales): Fit for the future</i> " (November	Under the Government's consultation - " <i>Local Government Pension Scheme (England and Wales): Fit for the future</i> ", one of the points for consultation concerns conflicts of interest within administering authorities. The Fund may want to await the outcome before taking any	Officers will review the recommendations covering the conflicts of interest policy, however we will await the Consultation outcomes before finalising any document.


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
		<ul style="list-style-type: none"> • The Nolan Principles (The Seven Principles of Public Life) • The LGA's Model Councillor Code of Conduct 2000 • Chapter 7 (Standards) of the Localism Act 2011 			2024) including proposals in relation to conflicts of interest within an administering authority.	further steps or it could develop a policy which covers the recommend--dations.	
Conflicts of interest Pension Boards	TPR expects scheme managers to be satisfied a pension board member does not have a conflict of interest (potential or otherwise) and for the scheme manager to circulate and publish the register of interests.	<p>Yes. Under section 5 of the Public Service Pensions Act 2013 and paragraphs 22 to 24 of the Code set out TPR's expectations for a pension board.</p> <p>See above for standards that already apply to administering authorities and Members.</p>		<p><u>LGPB - TOR</u></p> <p>The Fund has limited wording included within the PB Terms of Reference as to the registering of conflicts. We have been unable to locate the declared conflicts register within the Administering Authority webpages or the Fund's webpage. However, it would be expected that the Fund maintains a register of all declared conflicts.</p>	<p>Yes. It is anticipated that the administering authority will need to publish a specific conflicts of interest policy with a particular focus on conflicts which arise because of the authority managing its pension fund in the local government environment.</p> <p>Please note comment above regarding the Government consultation issued in November 2024.</p>	<p>None – but note the availability of the register</p> <p>The Fund may want to expand the wording on conflicts within the TOR. For example:</p> <ul style="list-style-type: none"> • What constitutes a conflict • Process of declaration • Monitoring process 	Per above comment.


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Own risk assessment	TPR requires governing bodies of schemes required to have an effective system of governance to carry out an own risk assessment whereby it assesses how its ESOG is working	Good practice. The obligation does not apply to public service pension schemes because they do not need an ESOG under legislation (just internal controls) however the Code says: " <i>Governing bodies of other schemes may carry out an ORA as an example of good practice.</i> "	Not applicable	Not applicable	No	An ORA is a useful tool that does not apply to the LGPS but the Fund might wish to adopt it.	N/A
Risk management function	Schemes which are required to have an ESOG should have a risk management function. The function should be structured so the governing body is able to adopt strategies, processes and reporting procedures so it can identify, evaluate and record risks and also to monitor and manage risks.	No. This module does not apply to public service pension schemes.	Not applicable	Not applicable	No	Not applicable	N/A



The governing body: Scheme governance


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Systems of governance	<p>This module is an overarching module setting out TPR's expectations on a scheme's systems of governance and internal controls.</p> <p>Internal controls cover:</p> <ul style="list-style-type: none"> • The arrangements and procedures to be followed in the administration and management of the scheme. • The systems and arrangements for monitoring the administration and management and the arrangements and procedures to be followed for the safe custody and security of the scheme assets. 	<p>Yes, to the extent that requirements are internal controls. Under section 249B of the Pensions Act 2004, scheme managers of public service pension schemes must establish internal controls.</p>	<p>N/A see actions required column</p>	<p>As this is an overarching module, we look to the individual modules for compliance.</p>	<p>Potentially. This module covers a wide area and conflict of interests is covered in both (see above for more details).</p>	<p>Not assessed. As this is an overarching module, we look to the individual modules for compliance.</p> <p>None, but see actions against other modules.</p>	<p>N/A</p>

Funding and investment: Investment

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Investment governance	This module sets out TPR's expectations on investment governance -the policies and procedures that ensure a governing body complies with any obligations relating to investment. Any such policies will be tailored to the specific scheme. Amongst other things, governing bodies are expected to have a good working knowledge of investment matters, understand the legislation and appoint appropriately qualified persons to advise before taking an investment decision as well as have the knowledge to understand and question any such advice.	<p>Good practice.</p> <p>The Code says "<i>The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is good practice for them to approach investment governance in the same way.</i>"</p>		<p>Annual Report for the City of London Pension Fund</p> <p>The Investment Strategy Statement outlines the governance approach and decision-making process. Investment governance is covered within the PFC which is responsible for the monitoring and review of investment performance.</p>	No	None	N/A
Investment decision-making	This module sets out TPR's expectations on the decision-making process of	No. This applies to trust-based occupational pension schemes.	Not applicable	Not applicable	No	Not applicable	N/A

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
	the governing body in relation to investments. As well as decision-making processes, TPR expects governing bodies to be able to evaluate advice, consider the costs, have clear terms of reference for sub-committees and regularly assess the effectiveness of the decision-making and governance process.						
Investment monitoring	This module sets out TPR's expectations on monitoring and reviewing investment performance. Having processes to monitor investment performance and the performance of the investment manager as well as the risks associated with an investment and investment manager.	<p>Good practice.</p> <p>The Code says "<i>The scheme managers of Local Government Pension Schemes do not have the same obligations in pensions legislation, but it is good practice for them to approach investment governance in the same way.</i>"</p>		Investment monitoring is covered on a quarterly basis with the Investment Consultant. Reporting on the Funds Pooling arrangement is also covered.	No	None	N/A

Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
Stewardship	This module sets out TPR's expectations for a governing body's policies on financially material ESG considerations, voting rights, relationships with asset managers, engagement with issuers of investments on their social and environmental impact and corporate governance.	<p>Good practice.</p> <p>The Code says "We recommend that governing bodies with investment responsibilities follow the expectations...even if they are not legally required to have an ESG"</p>		<p>Annual Report for the City of London Pension Fund</p> <p>The Fund covers within its Investment Strategy Statement its position on voting and engagement. The Fund supports the UK Stewardship code and expects its investment managers to comply with the code.</p>	No	None	N/A
Climate change	TPR expects schemes to understand how climate/environment risks impact upon their investments as part of their risk assessment and to understand the risks and opportunities associated with climate change. Schemes should document its processes for doing so.	<p>Partially.</p> <p>The module, in the section headed "Managing scheme risks from climate change" says:</p> <p>Yes – as the LGPS is required to operate internal controls, it should assess the risk associated with climate change (paragraph 7).</p>		<p>Annual Report for the City of London Pension Fund (pg 86)</p> <p>City of London Responsible Investment Policy</p> <p>The Fund covers climate change within the Investment Strategy Statement and dedicated RI Policy.</p>	No	None	N/A


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
		Good practice. Paragraphs 8 and 9 refer to schemes requiring to operate an ESOG (which does not include the LGPS) under which TPR sets out its expectations for managing risk and suggests " <i>Other governing bodies may wish to consider these [expectations] as good practice</i> ".		TCFD report The Fund has also produced a TCFD report, ahead of the requirement.			
Statement of Investment Principles	A Statement of Investment Principles (SIP) sets out a governing body's investment strategy, including the investment objectives and investment policies they adopt.	Good practice (partially). The Code says "In cases where preparing a SIP is not a legal requirement, in our view, it would be good practice for governing bodies to prepare a document that is similar in nature, and to publish it online as if the SIP was required."		Annual Report for the City of London Pension Fund (pg 86) The Pension Fund has a documented and publicly available Investment Strategy Statement as required by Regulation 7 of LGPS (Management and Investment of Funds) Regulations 2016.	No	None	N/A
Default arrangements	The TPR expects governing bodies of defined contribution schemes to	No. This module does not apply to the LGPS.	Not applicable	Not applicable	No	None	N/A


Module	TPR's expectations	Application to the LGPS	Status of Fund against the Code	Matching policies and documents	Affected by the Good Governance Review	Suggested / Required Actions	CoL Comments
and charge restrictions	ensure that its default arrangements meet the requirements of the legislation. The module also links in with the module on value for money, investment governance and SIPs.						

Administration: Scheme administration

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Planning and maintaining administration	This module sets out TPR's expectations on the administration of the scheme by the governing body. Those expectations include understanding the scope of the administrator's role, have administration as an agenda item, administrator to provide reports, monitoring and manage performance.	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 which sets out the records that public service must maintain and every such scheme should have internal controls.	NA see actions required column	As this is an overarching module, the Fund should look to the individual modules for compliance.	Yes, but we would expect the requirements of the Code and the Review to coincide with each other. There are a number of KPIs set out within the Review that are linked to service performance. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	As this is an overarching module, the Pension Fund should look to the individual modules for compliance None, but see actions against other modules.	N/A

Administration: Information handling



Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Financial transactions	<p>This module sets out TPR's expectations around transactions which involve the processing of money. The module focusses on the two key areas:</p> <p>Governance processes and IT systems – understand the administrator's processes and controls including authorisation, reviews of processes, standards and service level agreements, management of employer contributions.</p> <p>Investing contributions (if applicable)</p>	<p>Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain.</p> <p>Under section 249B of the Pensions Act 2004, scheme managers are required to establish and operate internal controls.</p>		<p>Risk register</p> <p>IT systems have been covered within the risk register. Although it does not cover detailed processes and service-level agreements.</p> <p>It would be expected that internal audit reports cover authorisation processes and process reviews.</p>	No	The Fund to confirm the processes and controls in place to manage IT systems and service level agreements.	A formal IT systems process and controls document was suggested by the most recent Pension Fund external audit. This document will be produced by Officers.

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Transfers out	This module sets out the expectations around the processes and checks that a governing body should undertake before permitting a transfer out of the scheme to go ahead. This includes checking the statutory requirements are met and be vigilant of scams and there is also a separate list of expectations for transfer to defined contribution schemes.	Yes , it mostly applies (some relate to DC schemes and private sector defined benefit schemes). The expectations follow the requirements for transfers out under the Pension Schemes Act 1993 and the Pension Schemes Act 2015 (and accompanying regulations)		<p>It would be expected that the Fund has strong processes in place to meet the statutory requirements before a member's transfer takes place. We would expect that these processes are reviewed as a part of the internal audit reviews.</p> <p>Membership and contributions City of London Pension Fund – The Fund has in place a webpage on transferring LGPS benefits for members.</p>	No	Fund to confirm that processes and policies are in place for the transfer of pensions out of the Fund.	The City of London follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken to ensure as much as possible that scheme members are made aware of potential scams and take the necessary steps to protect themselves.

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Record keeping	This module sets out TPR's expectations on the governing body's need to maintain complete and accurate records and covers record keeping, administrative systems and data from other parties.	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.		4aLGPS Committee Administration Strategy Report.Feb 2023.Appendix A FINAL.pdf Record keeping is covered at high level within the Administration Strategy Appendix B Data Retention Policy Final June 19.pdf The Fund has a data retention policy in place, this policy highlights the data retained by the Fund.	Potentially, although we think it unlikely that the Review will add to the obligations under the Code. Data quality is one of the KPIs under the Review. Also, one of the responsibilities of the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.	The Fund may want to expand the Administration Strategy to provide more information on the system and processes in place. Highlighting third-party providers of administrative systems.	Third party provider details and requirements will be added to the Administration Strategy. The Administration Strategy will be brought to the Pensions Committee for Review.
Data monitoring and improvement	This module sets out TPR's expectations for governing bodies for the purpose of maintaining complete and accurate data. It focusses on the processes for monitoring, reviewing	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out the records that a governing body must maintain. Under section 249B of the Pensions Act 2014, the		We have been unable to locate a document on data improvement.	Potentially, although we think it unlikely that the Review will add to the obligations under the Code. Data quality is one of the KPIs under the Review. Also, one of the responsibilities of	Fund to confirm if there are data monitoring and improvement plans, documents or policies in place.	The City of London completes the annual TPR Scheme Return in respect of the LGPS. The Return requires details of the


Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
	and protecting scheme data.	scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.			the proposed "LGPS senior officer" is to manage delivery of the LGPS function to meet SLAs.		'Data Scores' of the scheme. There are currently no policies in place with regards to improving Data Scores. A document will be drafted focussing on the processes for monitoring, reviewing and protecting scheme data.



Administration: IT

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Maintenance of IT systems	This module concerns TPR's expectations on the processes adopted by governing bodies to put appropriate systems in place i.e. that meet the scheme's legal requirements, to review and maintain such systems and to challenge providers.	Yes. The Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Administering Authority would be expected to maintain IT systems for the Fund. These IT systems would be reviewed as part of the internal review process.	No	None, however, where services are provided by a third party – the Fund may want to include any outcomes of assurance reviews that may have been carried out.	Officers note the suggestion and will discuss with third party providers their compliance with relevant industry and quality standards.
Cyber controls	This module sets out TPR's expectations for governing bodies in their identification of, management and recovery from cyber incidents and how to reduce the risk of such incidents occurring.	Mostly applies, good practice for where there is no obligation on scheme managers of public service pension schemes. Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		The Fund includes control processes for cyber security within the Risk Register. It is expected that Members and officers follow Administering Authority IT security processes. It should be noted that MHCLG intends to consider Cyber Assessment Framework for Councils 2024	Unlikely – the Review lists this as a KPI but defers to the Code.	None, however, the Fund may wish to ensure that cyber security processes within governance documents.	N/A – The Fund follows the City of London Corporation's cyber security processes.

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
		<p>The Code says "<i>the legal obligation to establish cyber controls is different for public service pension schemes. As far as cyber controls is a matter set out in the scheme rules or in the requirements of the law, scheme managers of public service pension schemes must establish and operate adequate internal controls in relation to them. In such cases, internal controls need to include measures to manage cyber risk. To the extent that there is no legal obligation on scheme managers of public service pension schemes to adopt these cyber risks measures, we consider it good practice to do so.</i>"</p> <p>TPR has published separate guidance on cyber security.</p>		(although the new minister has not confirmed that this will still be published).			


Administration: Contributions


Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Receiving contributions	This module sets out the processes that governing bodies must have in place to monitor contributions and transmission of payment information between employer, members, and administrator.	<p>Mostly applies. The Code says "Governing bodies of public service pension schemes that are exempt should develop a record to monitor contributions payments to the scheme (a contributions monitoring record). This should comply with scheme regulations where relevant. Governing bodies should prepare the record for monitoring contributions in consultation with scheme employers."</p> <p>Regulation 69 of the LGPS Regulations 2013 set out the requirements for the LGPS.</p>		<p>4aLGPS Committee Administration Strategy Report.Feb 2023.Appendix A FINAL.pdf</p> <p>Included within the Administration Strategy are responsibilities with regard to contributions. We have been unable to locate further wording on the processes of receiving and reconciling contributions, however, we would expect strong processes to be in place and reviewed by both internal and external audit teams.</p>	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.	The Fund may wish to update the Administration Strategy to include the processes to receiving contributions.	<p>The Administration Strategy will be amended to outline the processes for monitoring contributions.</p> <p>The Administration Strategy will be brought to the Pensions Committee for Review.</p>

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
Monitoring contributions	This module sets out TPR's expectations on the governing body's process to check contributions due and to reconcile them with what is in practice paid to the scheme.	Yes. The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 applies to the LGPS. Also, Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		It would be expected that the process of monitoring and reconciliation of contributions is reviewed as a part of the internal audit process and considered in assurance reports.	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.	None	N/A
Resolving overdue contributions	This module sets out TPR's expectations on the governing body's process to obtaining overdue payments and rectifying administrative errors.	Yes. Section 249B, PA04 requires scheme managers of public service pension schemes to establish internal controls so the scheme is managed in accordance with the rules and the law.		It would be expected that resolving overdue contributions is in place and are reviewed as a part of the internal audit process and considered in assurance reports. The Fund also includes within the breaches policy, reporting to regulator any contribution failures which are likely to be	No, but worth noting that one of the responsibilities of the proposed "LGPS senior officer" is to ensure the fund is organised and structured to deliver its statutory responsibilities and compliance with the Code.	None	N/A

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
				of material significance.			

Communications and disclosure: Information to members

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Review?	Suggested / Required Actions	CoL Comments
General principles for member communications	This module sets out TPR's expectations for the provision of information to members by reference to the legal requirements and in terms of how the information should be presented and communicated to them.	Yes. Legislation sets out what must be communicated to members - Regulation 6 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013		Annual Report for the City of London Pension Fund Included in the Report and accounts (page 98) is the Communications Policy Statement which outlines the Funds key stakeholders, communications required, methods of communication and delivery and frequency.	The Review contains several KPIs on engagement and communication and the take up of online services (and employer engagement events).	None	N/A
Annual pension benefit	Governing bodies of certain schemes must provide annual benefit	Yes – in respect of AVCs – Regulation 17 of the Occupational and personal	Not applicable	Increase my payments City of London Pension Fund	No	The Fund may wish to update the	Officers will amend the Communication

statements (DC)	statements to members.	pension schemes (Disclosure of Information) Regulations 2013.		The Fund has a webpage on AVCs in place. However, there is no information on benefit statements. It is the responsibility of the AVC provider to issue annual benefit statements.		Communications Policy to highlight that benefit statements are provided by the AVC providers to make this clear to the Fund members.	s Policy to include reference to benefit statements in relation to AVCs being provided by AVC providers.
Summary funding and pension benefit statements (DB)	Governing bodies of certain schemes must provide summary funding statements and benefit statements (on request) to members. Details to be included in each are set out in the module.	No. The LGPS is exempt from providing these statements pursuant to Regulation 15 and Schedule 4 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.	Not applicable	Not applicable	Not applicable	None	N/A
Benefit information statements	This module is aimed solely at public service pension schemes. Scheme managers of public service pension schemes must provide all active members with an annual benefit statement and to also do so for other members on request. Details on what to	Yes. Regulation 16 and 17 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 and section 14 of the Public Service Pensions Act 2013. Regulation 89 of the LGPS Regulations 2013 specifically provides that administering authorities must issue an annual benefit statement to each		Annual Report for the City of London Pension Fund Included in the Report and accounts (page 98) is the Communications Policy Statement setting out the minimum standard to produce a benefits statement to all members.	No	None	N/A



	include are set out in the module.	of its active, deferred, deferred pensioner and pension credit members.					
Retirement risk warnings and guidance	The module concerns members with a defined contribution or cash balance pot and the ability to draw flexible benefits from the scheme. The governing body must issue a statement to members giving information about their options and guidance.	Yes. Applies to relation to the AVC benefits.		Retirement City of London Pension Fund Increase my payments City of London Pension Fund The Fund has in place webpages that provide guidance to scheme members. It would be expected that the risk warnings are included in packs that are sent out to members.	No	None	N/A
Notification of right to cash transfer sum or contribution refund	This module broadly follows the legislation relating to cash transfer sums or contribution refunds.	Yes. Cash transfer sums and contribution refunds are permitted under section 101AB of the Pension Schemes Act 1993 and dealt with under regulations 18 (contribution refund) and 96 (cash transfer sums) of the LGPS Regulations 2013.		Transferring your pension out City of London Pension Fund Leave the scheme City of London Pension Fund The Fund has web pages that provide details as to the process for cash transfers and refunds.	No	We would expect the Fund to have processes for the transfer and refund of contributions process. Fund to confirm.	The Fund follows the guidance and instructions provided by the Local Government Association / TPR in respect of transfers-out of the scheme. A formal document will be written to confirm the steps taken.

Chair's statement	This module covers the requirement under legislation for certain occupational pension schemes that provide defined contribution benefits to provide chair statement.	No. It does not apply to public sector schemes made under section 7 of the Superannuation Act 1972 (the LGPS was made under that Act).	Not applicable	Not applicable	No	None	N/A
Scams	This module sets out TPR's expectations on a scheme's internal controls to mitigate the risk of scams.	Yes. Under section 249B of the Pensions Act 2014, the scheme manager is required to establish and operate adequate internal controls to ensure the scheme is administered and managed in accordance with legislation.		It would be expected as a part of the internal audit processes that mitigation against pension scams is reviewed. However, we have been unable to locate specific wording. We have located that pension fraud is covered within the risk register. Risk register Avoiding pension scams City of London Pension Fund The Fund includes links to the external sites for additional information.	No	The Fund should update the Risk Register to include pension scams as a key risk and the process and to mitigate the risk of potential scams.	The Pensions Committee Risk Register currently includes a risk for Fraud (CHB Pensions 005), this will be expanded to include Scams and mitigation processes in more detail. The Risk Register is brought to the Pensions Committee every 6 months.
Audit requirements	The module sets out TPR's expectations on publishing audited accounts and the auditor's statement.	No. The audit requirements that TPR refer to stem from the requirement for occupational pension schemes to appoint certain	Not applicable	Not applicable	No	None	N/A

professional advisers under section 47 of the Pensions Act 1995. Statutory schemes are exempt.



Communications and disclosure: Public information

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
Publishing information about public service schemes	This module is aimed solely at public service pension schemes. It sets out TPR's expectations of the scheme manager to publish certain information about the pension board and keep that information up to date. It lists the information that should be published about the board and its activities.	Yes. This module concerns information on the pension boards of public service pension schemes.		The Fund also publishes key information relating to the PB and the Administering Authority webpages contains details on the membership (Additional information can be found on the Role of the Governing Body)	No	None	N/A
Dispute resolution procedure	The module has two parts to it. Most of the obligations relate to the dispute resolution process and largely repeats the requirements of the LGPS regulations. Separately, the module expects that	Yes.		Microsoft Word - LGPS Committee Administrators Report.July 2022.Appendix B - IDRP Policy Statement) The Fund publishes an IDRP guide. The document does contain	No	None	N/A


governing bodies regularly assess the effectiveness of the dispute resolution procedure.

detail on timelines of responses, decision-making process and time periods.

Reporting to TPR: Regular reports

Module	TPR's expectations	Application to the LGPS Yes/No/Partially/Good practice	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
Registrable information and scheme returns	Governing bodies must provide all registrable information when registering the scheme and to update such information within 5 working days of it becoming aware of a change.	Yes , it is a legal requirement to do so under section 59 of the Pensions Act 2004 (and The Register of Occupational and Personal Pension Scheme Regulations 2005).		We have been unable to specifically identify wording on the updating of the scheme register. Whilst we have been unable to locate documents, we would expect that this is completed as a matter of course but is not identified on a document.	No	We would suggest that the Fund update governance documents to highlight roles and responsibilities to address this module.	The completion of the Scheme return is noted on the Annual Schedule of Events, an appendix that accompanies the Administrator's report to both the Pensions Committee and Local Government Pension Board.


Scheme returns




						These processes are currently carried out by the Administration Manager however the roles and responsibilities are not documented in any policy. Officers will add this to the Administration Policy which will be brought back to Pensions Committee.
Governing bodies must complete a scheme return. Governing bodies are accountable for the information contained in the scheme return and they should have measures in place to review and ensure the accuracy of the information to be	Yes , it is a legal requirement to do so under section 64 of the Pensions Act 2004.		As above	No	As above	Per above comment



submitted is correct and that the return is submitted in time.

Reporting to TPR: Whistleblowing – reporting breaches of the law

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
Who must report	<p>This module sets out TPR's expectations on who must report breaches of the law in relation to the administration of the scheme. It lists both the scheme manager and the pension board as persons who should report and also, employers, service providers and professional advisers.</p> <p>Training should be provided to ensure people are able to understand the process for identifying</p>	<p>Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.</p>		<p>Microsoft Word - Reporting Breaches of the Law Procedure Policy final June 2022 (name changes)</p> <p>The Fund has in place a Breaches of the Law Policy and a breaches register.</p>	No	None	N/A

Module	TPR's expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
	and reporting any breach.						
Decision to report	This module sets out the considerations when deciding whether a breach is reportable and how a reporter should proceed.	Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Covered within the Breaches of the Law Policy.	No	None	N/A
How to report	TPR expects governing bodies to establish and operate procedures for meet their legal duties and the module sets out a list of key elements to a reporting process.	Yes. It is a legal requirement to do so under section 64 of the Pensions Act 2004.		Covered within the Breaches of the Law Policy.	No	None	N/A
Reporting payment failures	This module sets out the requirements when contributions are not paid on time and sets out how a governing body can determine whether the failure to pay is likely to be of	Yes. The duty to report late payment of employer contributions rests with the scheme manager under the LGPS (Public Service Pensions Act 2013).		Covered within the Breaches of the Law Policy.	No	None	N/A

Module	TPR’s expectations	Application to the LGPS	Status of the Fund against the Code	Matching policies and documents	Affected by the Good Governance Project?	Suggested / Required Actions	CoL Comments
	material significance to TPR.						

Terms used in this document:

Term

Term	means
“ESOG”	means an effective system of governance
“PB”	Pension Board
“PFC”	Pension Fund Committee
“TPR”	The Pensions Regulator

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However, this report is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed, and the value of investments may go down as well as up, so you may get back less than you invest.

The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

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City of London Corporation Committee Report

Committee(s): Pensions Committee – For Discussion/ Information	Dated: 03 December 2024
Subject: Autumn Budget 2024, Mansion House Speech and LGPS (England and Wales): Fit for Future Consultation Summary	Public report: For Discussion/For Information
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

On the 30 October 2024, the Labour Government announced their ‘*Autumn Budget 2024 – Fixing the Foundations to Deliver Change*’. The Chancellor of the Exchequer, Rachel Reeves, outlined measures aimed at fixing the foundations of the economy and delivering change.

This was followed by a number of measures announced in the Mansion House Speech on 14 November 2024 and the Local Government Pension Scheme (England and Wales): Fit for Future Consultation released the same evening.

Recommendations

Members are asked to note this report.

Main Report

1. The Chancellor of the Exchequer, Rachel Reeves, delivered the new Labour Government’s first budget on 30 October 2024. ‘*Fixing the Foundations to Deliver Change*’ was focussed on announcing measures to raise £40bn in taxes some of which have had an impact on the Local Government Pension Scheme (LGPS).
2. Following the Chancellor’s budget, the Mansion House Speech took place on 14 November 2024, in which a series of measures were announced, aimed at the LGPS. This included a new Consultation ‘*Local Government Pension Scheme (England and Wales): Fit for the Future*’.

Autumn Budget

3. The Autumn Budget (which can be found [here](#)) introduced several pension reforms including maintaining the state pension triple lock, a requirement for all scheme administrators of registered pension schemes to be UK resident and bringing in line the conditions of Overseas Pensions Schemes (OPS) and Recognised Pension Schemes (ROPS) established in the European Economic Area with OPS and ROPS established in the rest of the world from 6 April 2025.
4. The Government also introduced a reform on Inheritance Tax, whereby from 6 April 2027, inherited pensions i.e. unused pensions and death benefits will be included within the value of a person's estate for Inheritance Tax (IHT) purposes. The IHT thresholds will remain frozen until 2030.
5. If the IHT threshold is passed, Pension Scheme Administrators will become liable for reporting and paying any IHT due on pensions to HMRC and a consultation on how to implement the proposals has been launched, which can be found [here](#). The technical consultation will run for 12 weeks and responses are due by 22 January 2025.

Mansion House

6. Chancellor Rachel Reeves announced a number of major pension reforms to *"tackle the fragmented pensions landscape, deliver investment and drive economic growth – which is the only way the make people better off"*.
7. The reforms will be introduced through a new Pension Scheme Bill in 2025 creating 'megafunds' through consolidating defined contribution schemes and pooling assets from 86 separate LGPS authorities. These so called 'megafunds' will mimic Australia and Canada's set up to take advantage of size to invest in assets and *'deliver real change in our economy'*. The full Mansion House speech can be read [here](#) and associated press releases from the Government about the 'megafunds' can be found [here](#).

LGPS Consultation: Fit for the Future

8. In the evening on 14 November 2024 and **immediately** following the Mansion House Speech, MHCLG (Ministry of Housing, Communities and Local Government) published the *'Local Government Pension Scheme (England and Wales): Fit for Future'* Consultation. The consultation lasts for 9 weeks and responses are due by 16 January 2025.
9. There are **thirty questions**, and the consultation is seeking views on the proposals to put the LGPS on a clearer, firmer trajectory to consolidate, as well as measures to improve scheme governance and investment. MHCLG claim that *'together these proposals seek to provide long-term clarity and sustainability, putting the scheme on the strongest possible footing for the future.'*
10. There are three areas covering both Administating Authorities (AAs) and Pools in which the Consultation is seeking views on which are outlined in Table 1 below.

Table 1: Summary of proposals covered in the Consultation

Summary	Proposal
Reforming the LGPS asset pools by mandating certain 'minimum standards' deemed necessary for an optimal and consistent model in line with international best practice.	<p>The proposed 'minimum standards' include:</p> <ul style="list-style-type: none"> • AAs would be required to fully delegate the implementation of investment strategy to the pool, and to take their principal advice on their investment strategy from the pool; • Pools would be required to be investment management companies authorised and regulated by the Financial Conduct Authority (FCA), with the expertise and capacity to implement investment strategies; • AAs would be required to transfer legacy assets to the management of the pool.
Boosting LGPS investment in their localities and regions in the UK.	<p>AAs would be required to:</p> <ul style="list-style-type: none"> • Set out their approach to local investment in their investment strategy including a target range for the allocation and having regard to local growth plans and priorities; • To work with local authorities, Combined Authorities, Mayoral Combined Authorities, Combined County Authorities and the Greater London Authority to identify local investment opportunities; • To set out their local investment and its impact in their annual reports.
Strengthening the governance of both LGPS AAs and LGPS pools, building on the recommendations of the Scheme Advisory Board (SAB) in their 2021 Good Governance Review.	<ul style="list-style-type: none"> • Committee members would be required to have the appropriate knowledge and skills. • AAs would be required to publish a governance and training strategy (including a conflicts of interest policy) and an administration strategy, to appoint a senior LGPS officer, and to undertake independent biennial reviews to consider whether AAs are fully equipped to fulfil their responsibilities. • Pool boards would be required to include representatives of their shareholders and to improve transparency.

11. Members should note that although the Pool would implement the Investment Strategy, the AA would still be responsible for setting the high-level investment strategy. A template table has been included in the Consultation document of what the high-level investment strategy would look like. MHCLG have also included a table showing the AA and Pools role in the Pensions Funds Investment Function. These have been included in Appendix 1.
12. Subject to the outcomes of this Consultation, the Government will consider legislating, to require in law, the pool 'minimum standards', including transition or management of all assets. The indicative timeline for the pooling of all liquid assets is March 2025 and all other assets (including illiquid) by March 2026.
13. The full consultation can be found [here](#) and included at Appendix 2 is the list of thirty questions.

Conclusion

14. Following the Autumn 2024 Budget, Mansion House speech and release of the 'LGPS: Fit for Future' Consultation, the LGPS is to undergo a number of changes. Members should note the fast approaching deadlines to the Consultations, and going forward the major changes to how the LGPS is managed.

Appendices

- Appendix 1 – MHCLG template Strategic Asset Allocation and AA/ Pools roles and responsibilities
- Appendix 2 – Local Government Pension Scheme (England and Wales): Fit for Future Consultation Questions

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MHCLG template Strategic Asset Allocation and AA/ Pools roles and responsibilities

Template Strategic Asset Allocation

Asset class	Strategic asset allocation (%)	Tolerance range (±%)
Listed equity		
Private equity		
Private credit		
Property / Real estate		
Infrastructure		
Other alternatives		
Credit (i)		
UK Government bonds		
Cash (ii)		

(i) Including credit instruments of investment grade quality, including (but not limited to) corporate bonds and non-UK government bonds

(ii) For the purposes of this table this refers to cash held by the pool. AAs would still be expected to hold cash for the purpose of paying benefits outside the pool.

Roles and responsibilities of the Administering Authority vs the Pool

	Task	Impact on overall investment outcome of the fund	AA Role	Pool role	Definitions
Strategy	Investment objectives	High	Decide	Advise	Return objectives, risk tolerances, investment preferences, constraints and limitations, and the approaches to local investment and responsible investment.
	Strategic asset allocation		Decide (optional)	Advise/ Decide	Long-term, stable allocation based on overall investment objectives and risk tolerance
Implementation	Tactical asset allocation	↓	Monitor	Decide	Adjustments to the asset mix, such as in respect of geographic allocation, consistent with the asset allocation strategy.
	Investment manager selection		Monitor	Decide	Appointment of external (or in-house) managers of specific investment mandates
	Stock selection		Monitor	Decide	Choosing individual investment opportunities based on detailed analysis of the opportunity
	Investment stewardship		Monitor	Decide	Engagement with the invested companies in line with Investment Objectives.
	Cashflow management		Monitor	Decide	Management of the disinvestment (or investment of contributions) in collaboration with administrators and Fund Actuary
		Low			

LGPS (England and Wales) Fit for the Future Consultation Questions

Chapter 2: LGPS Pooling
Question 1 Do you agree that all pools should be required to meet the minimum standards of pooling set out above?
Question 2 Do you agree that the investment strategy set by the administering authority should include high-level investment objectives, and optionally, a high-level strategic asset allocation, with all implementation activity delegated to the pool?
Question 3 Do you agree that an investment strategy on this basis would be sufficient to meet the administering authority's fiduciary duty?
Question 4 What are your views on the proposed template for strategic asset allocation in the investment strategy statement?
Question 5 Do you agree that the pool should provide principal investment advice on the investment strategies of its partner AAs? Do you see that further advice or input would be necessary to be able to consider advice provided by the pool – if so, what form do you envisage this taking?
Question 6 Do you agree that all pools should be established as investment management companies authorised by the FCA, and authorised to provide relevant advice?
Question 7 Do you agree that AAs should be required to transfer all listed assets into pooled vehicles managed by their pool company?
Question 8 Do you agree that administering authorities should be required to transfer legacy illiquid investments to the management of the pool?
Question 9 What capacity and expertise would the pools need to develop to take on management of legacy assets of the partner funds?
Question 10 Do you have views on the indicative timeline for implementation, with pools adopting the proposed characteristics and pooling being complete by March 2026?
Question 11 What scope is there to increase collaboration between pools, including the sharing of specialisms or specific local expertise? Are there any barriers to such collaboration?
Question 12 What potential is there for collaboration between partner funds in the same pool on issues such as administration and training? Are there other areas where greater collaboration could be beneficial?
Chapter 3: Local Investment
Question 13 What are your views on the appropriate definition of 'local investment' for reporting purposes?

Question 14

Do you agree that administering authorities should work with their Combined Authority, Mayoral Combined Authority, Combined County Authority, Corporate Joint Committee or with local authorities in areas where these do not exist, to identify suitable local investment opportunities, and to have regard to local growth plans and local growth priorities in setting their investment strategy? How would you envisage your pool would seek to achieve this?

Question 15

Do you agree that administering authorities should set out their objectives on local investment, including a target range in their investment strategy statement?

Question 16

Do you agree that pools should be required to develop the capability to carry out due diligence on local investment opportunities and to manage such investments?

Question 17

Do you agree that administering authorities should report on their local investments and their impact in their annual reports? What should be included in this reporting?

Chapter 4: Governance of funds and pools**Question 18**

Do you agree with the overall approach to governance, which builds on the SAB's Good Governance recommendations?

Question 19

Do you agree that administering authorities should be required to prepare and publish a governance and training strategy, including a conflict of interest policy?

Question 20

Do you agree with the proposals regarding the appointment of a senior LGPS officer?

Question 21

Do you agree that administering authorities should be required to prepare and publish an administration strategy?

Question 22

Do you agree with the proposal to change the way in which strategies on governance and training, funding, administration and investments are published?

Question 23

Do you agree with the proposals regarding biennial independent governance reviews? What are your views on the format and assessment criteria?

Question 24

Do you agree with the proposal to require pension committee members to have appropriate knowledge and understanding?

Question 25

Do you agree with the proposal to require AAs to set out in their governance and training strategy how they will ensure that the new requirements on knowledge and understanding are met?

Question 26

What are your views on whether to require administering authorities to appoint an independent person as adviser or member of the pension committee, or other ways to achieve the aim?

Question 27

Do you agree that pool company boards should include one or two shareholder representatives ?

Question 28

What are your views on the best way to ensure that members' views and interests are taken into account by the pools?

Question 29

Do you agree that pools should report consistently and with greater transparency including on performance and costs? What metrics do you think would be beneficial to include in this reporting?

Chapter 5: Equality impacts

Question 30

Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.

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of the Local Government Act 1972.

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