

# Investment Committee

## Hybrid Meeting – 3 March 2025

### Item 6 – Paper C

#### Code of Transparency (CoT) Project Update

##### Background

1. At the last Committee meeting it was reported that, in line with the CoT project plan, the Secretariat had collected feedback from funds on the CoT data system using a survey in September 2024, via an email to Code signatories and had held initial discussions about the development of a framework on the National LGPS Frameworks website. The working group that had previously met twice earlier in the project was reconvened and the latest position discussed with the executive panel. Feedback from this Committee was taken to a final executive panel meeting (held on 18 November 2025) before a recommendation was made to the Board.
2. Since the last Committee meeting, the Board agreed on 25 November 2024 to explore replacing the centrally procured system with a framework approach, together with the [National LGPS Frameworks team](#). It was also agreed to explore additional avenues to promote compliance with the Code and the effective reporting of cost data, including via Board guidance, Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and potential amendments to the LGPS Investment Regulations 2016.

##### Considerations

3. The Secretariat has held discussions with the National LGPS Frameworks team on the proposed timeline and inputs required to create a new framework. The project plan has been revised to reflect the expected stages and can be found at Annex A. The plan will be updated with additional details once framework development begins.
4. It is expected that a new framework will be developed that offers basic data collection with an option to add on benchmarking services for an additional fee. The original plan was to redevelop the existing Investment Consultancy Management Services framework ending in October 2026; however, this plan was revised to allow for a transitional period between the commencement of the new framework which is hoped to launch in April 2026 and the end of the Board's contract with Byhiras in August 2026. The start-up costs expected for this project have been approved by the Minister as part of the levy for 2025/26.

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5. The Secretariat is currently working on establishing a group of founders for the framework to input their expertise and shape the framework requirements. This group will include representation of the Board as a founder via the Secretariat with the aim to recruit members (fund officers) that represent as many pools as possible and a Scottish Scheme representative.
6. In order to reflect the changes being made to the supporting infrastructure of the Code of Transparency, the Board will also need to revise the Code ahead of the launch of the new framework. The Secretariat expect that this will include a short consultation to ensure the changes are considered by all relevant stakeholders. The Board will also need to develop a communications programme to support the changes and enable funds and pools to transition their data between April and August 2026. Byhiras have also agreed to engage with the Board during the runoff of this contract to support these aims.
7. An overview of the potential methods the Board could utilise to retain oversight of compliance with the Code was brought to the last Committee meeting and will require further in-depth exploration and discussion as the project progresses.

**Recommendation: That this Committee agrees the position as set out in this report and provides an update on the CoT data system project and the updated project plan to the Board at the March 2024 meeting.**

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## ANNEX A - UPDATED PROJECT TIMETABLE

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

<b>Project stage</b>	<b>Current timeline and proposed future timescales</b>	<b>Required input</b>
Byhiras contract extension and novation	December 2023 - April 2024	Secretariat to write formal notification of contract extension to Byhiras
CoT system working group	January - February 2024	Members to be selected, Secretariat to arrange meetings and collate findings
Market engagement prep	February – April 2024	LGA Procurement team to assist with shaping of early market engagement questions
Early market engagement	24 June – 6 August 2024	Secretariat to schedule meetings with providers and collate feedback to present case to Board
Survey of funds based on early market engagement findings	9 September – 27 September 2024	Secretariat to devise and issue survey using Survey Monkey
CoT system working group final meeting	w/c 7 October 2024	Feedback on survey results
Board executive panel recommendation	w/c 21 October 2024	Send updates/information pack pre meeting
Update Investment Committee	11 November 2024	Secretariat to update the Investment Committee on the project and the recommendation being made by the panel
Board final decision	25 November 2024	Secretariat present paper to Board and invite final decision on future of the system. The final decision will be made by the Board on recommendation from an executive panel comprised of members from the Board.

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Project stage	Current timeline and proposed future timescales	Required input
Ministerial Budget submission for 2025/26	November 2024	Start-up costs for framework development approved by Minister
Framework development scoping conversations	December 2024 – April 2025	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders)
Framework development	April 2025 – April 2026	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders)
Framework launch and transition from Byhiras system	April 2026 – August 2026	Various – Secretariat, National LGPS Team, fund officers (volunteers as Framework Founders), fund officers (system users to retrieve data from Byhiras), Byhiras (to support transitional arrangements and comms)
Byhiras contract end	30 August 2026	

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

**Recommendation: For the Committee to note the position**

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