



Brent Pension Fund Sub-Committee

21 February 2024

Report from the Corporate Director of Finance and Resources

DLUHC Consultation Outcome on LGPS Investments and TPR General Code of Practice

Wards Affected:	ALL
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One: Appendix 1 - Hymans Robertson – Results of the Consultation on LGPS investments: Next Steps
Background Papers:	N/A
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1.0 Executive Summary

1.1 The Department for Levelling Up, Housing and Communities (DLUHC) have published the outcome to the consultation on proposals relating to the investments of the Local Government Pension Scheme (LGPS). Additionally, the Pensions Regulator has published its General Code of Practice.

2.0 Recommendation(s)

2.1 To note the consultation outcome proposals relating to the investments of the LGPS.

2.2 To note the update on The Pensions Regulator General code of practice.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

3.2 Outcome to Next steps on investments consultation

3.2.1 The Department for Levelling Up, Housing and Communities (DLUHC) published a consultation on the next steps for LGPS investments on 11 July 2023.

3.2.2 The consultation sought views on proposals relating to asset pooling, levelling up, opportunities in private equity, investment consultancy services and the definition of investments.

3.2.3 As outlined at the previous committee meeting, officers prepared a formal response to the consultation on behalf of the Brent Pension Fund and this was submitted to DLUHC. The period for responses to the Consultation closed on 2 October 2023.

3.2.4 As part of the Autumn Statement, the government released the outcome to the consultation¹. The response confirmed the government's intention to proceed with most of the proposals including:

- a March 2025 deadline for the pooling of assets, however this is now on a 'comply or explain' basis.
- to revise guidance to encourage Funds to invest a 10 per cent allocation to private equity, however this is an ambition and not mandatory
- implementing a requirement in guidance to set a training policy for pensions committee members and to report against the policy.

3.2.5 The Fund's investment advisors have prepared a short briefing note on the results of the consultation which is attached in Appendix 1.

3.2.6 Finally, none of the proposals have yet to come into effect and the Fund is awaiting details on amendments to existing LGPS regulations and/or statutory guidance.

3.3 The Pensions Regulator (TPR) General code

¹ <https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-next-steps-on-investments/outcome/local-government-pension-scheme-england-and-wales-next-steps-on-investments-government-response>

3.3.1 The Pensions Regulator's (TPR) long awaited General code of Practice was laid before parliament on 10 January, nearly three years after the original consultation. The code is expected to come into force on 27 March 2024. It replaces Code of Practice 14 for Public Sector Pension Schemes and brings together 10 previous TPR Codes into one single Code.

3.3.2 The General code covers all governance (including investment governance) and administration conduct and practices required of an LGPS fund and TPR has categorised the new code into five areas:

- The Governing Body
- Funding and investment
- Communications and disclosure
- Administration
- Reporting to TPR

3.3.3 Fund officers are currently reviewing the requirements of the new code and will provide a detailed update to the meeting of the Pension Board in March.

4.0 Stakeholder and ward member consultation and engagement

4.1 There are no direct considerations arising out of this report.

5.0 Financial Considerations

5.1 There are no direct financial considerations arising out of this report.

6.0 Legal Considerations

6.1 There are no legal considerations arising out of this report.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are no equality considerations arising out of this report.

8.0 Climate Change and Environmental Considerations

8.1 There are no climate change or environmental considerations arising out of this report.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 There are no HR or property considerations arising out this report

10.0 Communication Considerations

10.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources