



**PENSIONS INVESTMENT REVIEW:
FIT FOR THE FUTURE
RESPONSE BY LGPS CENTRAL LIMITED**



January 2025

EXECUTIVE SUMMARY

This response is on behalf of LGPS Central Limited, the pool company operating as investment manager and steward for eight local authority pension funds across the Midlands.

LGPS Central Limited warmly welcomes the *Fit for the Future* consultation document which sets out the Government's ambitions for the next phase of LGPS pooling.

By working in partnership with our eight Partner Funds, and by leveraging our scale, we have already achieved a lot. We manage assets across public and private markets internally and through externally appointed fund managers and have expanded the scope of the asset classes available to our Partner Funds. We place a premium on responsible investment, and we have already delivered over £100m in gross savings to our Partner Funds.

Together with our Partner Funds we are well on our way to meeting the ambitions upon which the LGPS Central Pool was built: a regional centre of excellence; to be the primary investment vehicle for Partner Funds; to open up access to new investment classes; and to invest in a responsible manner.

But we recognise there is much more that can be achieved.

Fit for the Future will enable the pool company and our Partner Funds to deliver the full potential of pooling. The LGPS Central Pool is in a strong position in this regard having been set up as an FCA company with full permissions by its shareholders from the outset. Moreover, we benefit from having the support of our Partner Funds and working collaboratively with them.

We therefore welcome the clarity over the requirement to transition assets to the pool, including legacy assets – notably in private markets; the requirement for the pool company to be the principal investment adviser; and with full implementation, including setting administering authorities' strategic asset allocations based on their high-level investment objectives. We also see a clear role for pool companies, administering authorities and local government bodies in delivering local investment to enhance growth. This has particular resonance in a pool such as ours with contiguous administering authorities and a coherent geographical footprint. We believe these beneficial outcomes are in keeping with the experience of large pooled investors and asset owners internationally.

LGPS Central Limited is well positioned to deliver these objectives due to the skill and experience of our team and our commitment to our Partner Funds.

We are keen to work with our Partner Funds and Government to support the delivery of the *Fit for the Future* ambitions.

QUESTION RESPONSE SUMMARY

QUESTION 1

Yes. We agree that all pools should be required to adopt the minimum standards for pooling, including FCA authorisation. These will set the conditions for the full benefits of pooling to be achieved.

QUESTION 2

Yes. We agree it is appropriate for the AA to set the high-level investment objectives and that implementation of the strategy should be fully delegated to the pool company. Given the expertise that should reside within the pool companies, we are of the view that it is most appropriate for the pool company to set the Strategic Asset Allocation (SAA) in line with the required funding objectives of their AAs. However, we recognise that this is a significant change and that some AAs may wish to continue setting the SAA for their fund. Pool companies should be available to support any AAs and their advisers adopting that route.

QUESTION 3

Yes. We agree that a scenario in which AAs set the investment strategy (with the pool company responsible for setting the SAA and for its implementation) would be consistent with AAs' fiduciary duties.

QUESTION 4

For those AAs that wish to continue setting their strategic asset allocations, the template is a useful starting point. But we consider it may have some drawbacks, for example encouraging a focus on the performance of individual funds rather than the investment strategy as a whole. A longer-term approach could be to develop a small number of multi-asset funds that could be used in different combinations to meet the investment strategies of different partner funds.

QUESTION 5

Yes. We agree that pool companies should be the principal investment adviser to their AAs. There is a clear alignment of interest between the pool companies as the providers of advice and the AAs as the recipients of the advice as a result of the fact the pool companies' not-for-profit status and that they are owned by the AAs. This alignment does not exist within the current advice model. In certain circumstances AAs may wish to seek external advice with the support of their pool company.

QUESTION 6

Yes. We strongly agree that all pools should be established as companies authorised by the FCA and that this authorisation should extend to the provision of investment advice.

QUESTION 7

Yes. We agree that all remaining listed assets should be fully delegated to pool management, but the pool company should be able to decide which vehicles provide the best solution where it is not economic to create dedicated pool vehicles (for example, passive equities currently managed by third parties).

QUESTION 8

Yes. We agree that the management of legacy illiquid assets should be transferred to the pool company. LGPSC has the skills and experience to undertake this activity. We believe that a deadline of March 2026 for completing this activity is achievable.

QUESTION 9

LGPSC has the expertise to oversee legacy illiquid assets, and we will likely further scale up our existing capacity to manage an increased volume of such assets. By working in partnership with our Partner Funds, we believe it is possible to deliver this by March 2026.

QUESTION 10

We believe the March 2026 deadline is ambitious but achievable for the LGPS Central Pool. Meeting it will require the pool companies and their partner funds to work collaboratively, but it will also require legislative and regulatory certainty from Government if 'planning blight' is to be avoided.

QUESTION 11

We agree there is scope for collaboration between pools. However, we believe this should be purposeful and not simply collaboration for collaboration's sake. It would seem to us that the most fruitful area for collaboration is in private markets to leverage scale. We are discussing potential opportunities with other pool counterparts.

QUESTION 12

We note the collaboration that exists between Partner Funds within the LGPS Central Pool and that further collaboration will likely be needed to fully secure the benefits of pooling, particularly around areas such as local investment and to deliver at pace to secure the transition of the remaining assets outside the pool by March 2026.

QUESTION 13

Local investment should mean within the footprint of the pool company.

QUESTION 14

A successful local investment strategy designed to deliver growth will rest on an effective partnership between AAs, their local government institutions, their pool company and central government working together to identify suitable assets. However, the pool company will need to look across the benefits to all the pool's partner funds as in any assessment of viability. It is why we believe that local investment targets are also best set at pool level.

QUESTION 15

Local investment target ranges should be set at the pool level. AAs should set out the agreed pool-wide local investment target ranges in their investment strategy statements.

QUESTION 16

Yes. It is right that due diligence is undertaken by the pool company and that it develops the capacity and skills to undertake this activity.

QUESTION 17

Yes. However, impact is hard to assess and any definition should not be overly prescriptive. The SAB must work with all pool companies in developing its guidance in this area.

QUESTION 18

Yes. We agree with the overall approach to governance which we believe will enhance governance across the LGPS.

QUESTION 19

Yes. We agree with the proposal that AAs should prepare and publish a governance and training strategy, including a conflict-of-interest policy. We believe it would also be appropriate to develop and publish a delegations policy.

QUESTION 20

Yes. We agree that the appointment of a senior LGPS officer would be beneficial and would support the vision for pooling set out by government. We would expect the pool to work in close partnership with the senior LGPS officer.

QUESTION 21

Yes. We agree with the proposal.

QUESTION 22

Yes. We agree with the proposal.

QUESTION 23

We support the recommendation for regular independent external governance reviews but would suggest that these are conducted every three years, not every two. They must be conducted by someone who is completely independent of the AA but with knowledge of the pensions and LGPS sectors.

QUESTION 24

We agree with the proposal that pension committee members should have the appropriate levels of knowledge and understanding. LGPSC is happy to support the provision of training to our AAs' pension committees.

QUESTION 25

Yes. We agree with the proposal to require AAs to set out how they ensure appropriate levels of knowledge and understanding are being met.

QUESTION 26

Taken together with the appointment of a senior LGPS officer, the requirement for an independent adviser/committee member could help achieve the governance enhancements to LGPS funds the government is seeking.

QUESTION 27

Given the different models of shareholder representation available and the different preferences of partner funds within pool companies we recommend Government permits flexibility in its approach to shareholder representation on pool company boards.

QUESTION 28

We already provide a number of opportunities for members' views to be taken into account, including via the Joint Committee. However, we would be happy to do more such as presenting to and taking member feedback at PF AGMs.

QUESTION 29

We agree that pools should report consistently and transparently to their shareholders. However, Government should guard against over reporting and any metrics must be meaningful.

QUESTION 30

We have not identified any such groups.

ABOUT LGPS CENTRAL

LGPS Central Limited (LGPSC/ the Company) is the pool company operating as investment manager and steward for eight local authority pension funds across the Midlands. Our Partner Funds are Cheshire Pension Fund, Derbyshire Pension Fund, Leicestershire Pension Fund, Nottinghamshire Pension Fund, Shropshire Pension Fund, Staffordshire Pension Fund, West Midlands Pension Fund and Worcestershire Pension Fund. We believe the contiguousness of our Partner Funds is a strength and will be an asset as we step up our local investment activity. We are jointly owned on an equal-shares basis by those Partner Funds. We are one of eight Local Government Pension Scheme (LGPS) asset pools in England and Wales.

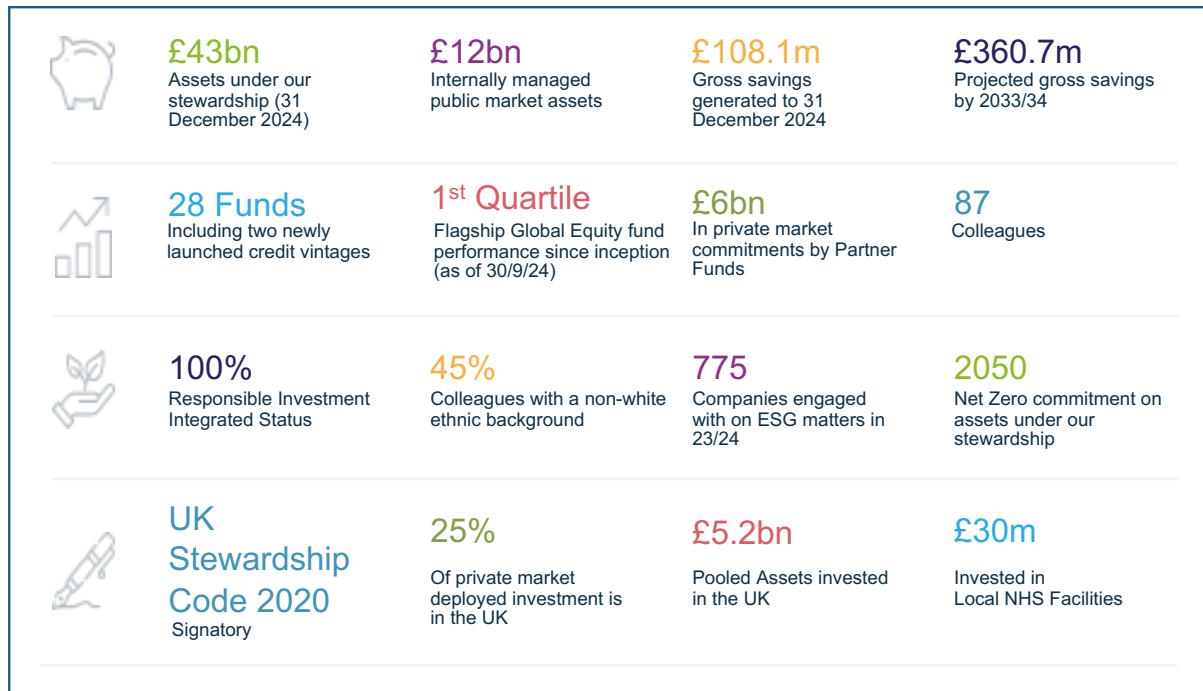
LGPSC opened for business in April 2018 and, since the outset, we have been authorised by the Financial Conduct Authority (FCA) as a 'full scope' firm and to operate as an Alternative Investment Fund Manager (AIFM) holding a full range of permissions to run and operate one or more collective investment vehicles, including Authorised Contractual Schemes (ACSs). We are also authorised to provide additional investment services (known as 'MIFID top-up permissions') to our Partner Funds. As a result, we are classified as a collective portfolio management investment firm (CPMI firm) by the FCA, which enables us to provide Partner Funds with the full range of investment services (as distinct from other pools with more limited or no permissions), including investment advice and portfolio management. We believe this positions the Company well to embrace the new responsibilities the Government intends for pool companies, including being the provider adviser of investment advice to Administering Authorities (AAs), and which we view as a natural extension of pooling to date.

As at January 2025 we are responsible for over £43bn of Partner Funds' assets. The Company offers funds across a wide range of investments including a £6bn plus private markets programme and a public markets programme that includes almost £12bn in funds managed by our internal passive equities and fixed income teams. Over £5bn of our pooled assets, including nearly a quarter of our deployed private markets investments, are invested in the UK including through our UK direct residential property fund.

Through our scale, investment expertise and commitment to good investment governance we have already delivered to our Partner Funds £108.1m in gross savings as at 30 December 2024. We are on track to deliver £359.1m of gross savings for Partner Funds by 2033/34. We have also placed an emphasis on providing our Partner Funds with value for money; our operating costs are around 5 basis points (bpts), which is comparable to other well run asset owners. We would expect costs to fall as assets under management and stewardship grow.

We have just under 90 colleagues based in Wolverhampton where we are committed to building a centre of regional expertise. We expect this number to rise to around 115 over the next few years.

Figure 1: LGPS Central Limited at a glance



Source: LGPS Central Limited

LGPS POOLING

OPTIMISING POOLING FOR THE FUTURE

QUESTION 1

Do you agree that all pools should be required to meet the minimum standards of pooling set out above?

Yes. We agree that all pools should be required to adopt the minimum standards for pooling, including FCA authorisation. These will set the conditions for the full benefits of pooling to be achieved.

Much has been achieved in the first six years of pooling but there are many more benefits of pooling to be gained. As we have described in the ‘About LGPS Central’ introduction to this response, by working together with our Partner Funds, we have delivered significant cost savings through leveraging our scale, operate at low cost (in part by using our internal asset management capabilities), and have opened opportunities to invest into new asset classes. But, like the government, we recognise there is more that can – and should – be achieved.

The minimum standards described in the consultation document set the right destination for the next phase of pooling and provide the conditions for the full benefits of pooling – including local investment – to be realised. We agree, therefore, that these should be adopted by all pool companies and their Administering Authorities (AAs). We note that government is intending to issue secondary legislation in due course. This could usefully set out the roles and responsibilities of each party in particular regarding the requirement to transfer assets, the role of the pool company and AAs with regard to, for example:

- setting of high-level strategy (AAs); vs implementation (including manager selection) (pool companies); and
- the role of advisers/independent pensions committee members appointed by AAs.

The current guidance has, in some cases, been too ambiguous which has prevented pooling from reaching its full potential. For example, the requirement that AAs should not select managers or that assets should be with the pool company has not been clear.

We see particular benefits in requiring AAs to take their principal advice from the pool. As we describe in more detail later in this response (see question 5), we view this as being very important in driving efficiencies across Partner Funds within the pool (where there are similar liability profiles for example), delivering cost savings through leveraging scale and governance best practice.

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 actively delegated to the pool?

Yes. We agree it is appropriate for the AA to set the high-level investment objectives and that implementation of the strategy should be fully delegated to the pool company. Given the expertise that should reside within the pool companies, we are of the view that it is most appropriate for the pool company to set the Strategic Asset Allocation (SAA) in line with the required funding objectives of their AAs. However, we recognise that this is a significant change and that some AAs may wish to continue setting the SAA for their fund. Pool companies should be available to support any AAs and their advisers adopting that route.

We agree that the investment objectives set by the AA should be high-level and driven by the AA's asset-liability modelling (ALM). We would expect the high-level investment objectives to address three core questions:

- What is the AA's return objective?
- How much risk is the AA willing to take?
- How much liquidity is required?

It is these investment objectives, rather than asset selection, that will drive the vast majority of long-term returns needed to pay pensions over the long term

The pool company would then be responsible for implementation, selecting the most appropriate allocation to deliver the return, risk and liquidity requirements of each AA's investment strategy. This asset allocation could use single asset-class funds or make use of a small number of multi-asset funds, which would be more efficient. The pool company will have the expertise to execute the strategy and will be best placed to make those judgements. It would be incumbent on the pool company to work closely and transparently with AAs, individually and collectively, throughout this process. We believe this is more compatible with delivering the full benefits of pooling, rather than the AAs deciding on the SAA.

Over the past 18 months we have been pleased to provide advice to some of our Partner Funds on their SAAs. This has been in recognition of the added value we can provide and of the expertise within the Company. Indeed, since 2019, LGPSC has been used on multiple occasions by one Partner Fund to provide an independent opinion/assurance on the SAA advice provided by the Partner Fund's adviser. In this case, LGPSC operates under an advisory mandate to review the SAA provided by the consultant and provided the Partner Fund with a written report using the expertise of colleagues across the Company. The report is approved by the LGPSC Investment Committee and used by the Partner Fund for additional assurance when approving their SAA. However, we recognise that this would represent a significant change to the way in which the SAA has hitherto been undertaken within the LGPS and that some AAs may opt to continue setting their SAA.

QUESTION 3

Do you agree that an investment strategy on this basis would be sufficient to meet the administering authority's fiduciary duty?

Yes. We agree that a scenario in which AAs set the investment strategy (with the pool company responsible for setting the SAA and for its implementation) would be consistent with AAs' fiduciary duties.

A scenario in which the AA sets the high-level investment objectives (across return, risk, liquidity and also ESG) and pool companies implement is, in our view and experience, consistent with AAs' fiduciary duties. It is the *objectives* that will drive outcomes, and which matters most, not *implementation*. It is therefore clear to us that strategy should clearly rest with the AA (as the fiduciary) and implementation with the pool company.

We have seen this model work successfully in other large defined benefit schemes. It also works effectively with defined benefit schemes where the trustee sets the high-level investment strategy and delegates implementation, including asset selection, to a commercial fiduciary manager. This model is being increasingly adopted across DB schemes in the UK.

QUESTION 4

What are your views on the proposed template for strategic asset allocation in the investment strategy statement?

For those AAs that wish to continue setting their strategic asset allocations, the template is a useful starting point. But we consider it may have some drawbacks, for example encouraging a focus on the performance of individual funds rather than the investment strategy as a whole. A longer-term approach could be to develop a small number of multi-asset funds that could be used in different combinations to meet the investment strategies of different partner funds.

For those AAs that wish to continue to set their SAA, the template set out in the consultation document is a useful starting point, ensuring there is a higher-level approach to asset allocation, as identified in the consultation document. But we consider it may have drawbacks, for example encouraging a focus on the performance of individual funds rather than the investment strategy as a whole. A more long-term approach could be to develop a smaller number of multi-asset funds that could be used in different combinations to meet the investment strategies of different partner funds. These could include, for example, a liquid multi-asset growth fund to do most of the returns heavy lifting; an illiquid multi-asset growth fund to supplement that in private markets; an illiquid multi-asset defensive fund to provide inflation protection and income; and a liquid defensive fund to provide cashflow and to manage risk. The asset classes set out in Table 2 of the consultation document could provide the building blocks for such multi-asset funds. We note that this is the

approach adopted by some large defined benefit funds such as Railpen and many defined contribution schemes.

In our experience, a small group of broad asset classes could be helpful for those AAs that wish to continue to set the SAAs (rather than have this function undertaken on their behalf by their pool company). This could help prevent a proliferation of small sub-scale funds being created and could prompt the consolidation of funds within the pool's offering which could help improve cost, operational and governance efficiencies. The current range of LGPSC fund offerings already map on to the nine asset classes listed in Table 2 (paragraph 37) of the consultation document.

It could also be helpful to government and the SAB in assessing and comparing investment approaches across AAs.

If this route is adopted, it will be important that the nine asset classes are clearly defined. There is a risk that if they are too broadly defined, they can mean different things to different people and play different roles in portfolio construction/ investment strategy. For example, investment grade corporate bonds could be used as part of a defensive solution and high yield as part of a growth solution, yet they are both 'credit'.

Rather than a static allocation to individual asset classes, an alternative approach would be to adopt a multi-asset approach. This would have advantages over the single asset approach, as it would encourage a holistic view of the performance of the AA's investment strategy rather than a view of the performance of individual funds and whether (or not) they beat their benchmark. We recognise that this might form part of a longer-term approach to asset allocation.

QUESTION 5

Do you agree that the pool should provide 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 by the pool – if so, what form do you envisage this taking?

Yes. We agree that pool companies should be the principal investment adviser to their AAs. There is a clear alignment of interest between the pool companies as the providers of advice and the AAs as the recipients of the advice as a result of the fact the pool companies' not-for-profit status and that they are owned by the AAs. This alignment does not exist within the current advice model. In certain circumstances AAs may wish to seek external advice with the support of their pool company.

LGPSC already has the regulatory permissions to undertake this activity, and we have recently been invited by several of our Partner Funds to support their SAAs and to provide other advice on investments and investment strategy. For example, in 2021 we undertook work for a Partner Fund to provide a risk-return analysis to determine the optimal allocation for the AA to three different Global Sustainable LGPSC funds. The work delivered an improved risk-return contribution at the same time increasing the AA's ESG profile and led the Partner Fund to invest into our Global Sustainable Funds.

Our work was carried out under an advisory mandate with oversight from the LGPSC Investment Committee. One of our strongest areas of advisory services to our Partner Funds has been in the area of Responsible Investment, and we consider this to be one of the major successes of our pool.

We see the current proposal for pool companies providing investment advice as a welcome and natural evolution to the work we have undertaken to date, therefore. There is a clear alignment of interest between the pool companies (as the providers of advice) and the AAs (as the recipients of the advice) resulting from the fact that the pool companies are owned by their AAs and that they operate on a not-for-profit basis. This alignment does not exist within the current advice model prevalent across the pensions and investment industry. Furthermore, having a single entity responsible for both the “advice” and “implementation” is likely to improve accountability, as a single entity is responsible for performance holistically.

Given the ownership structure of pool companies and their not-for-profit status there is a clear alignment of interests between the pool company and its partner funds. We do not perceive there would be a conflict of interest. Furthermore, whilst recognising the need for advice to be tailored to the needs of each partner fund, because the pool company would be providing advice to multiple partner funds there is the opportunity for the pool company to look across its partner funds and harness efficiencies and synergies. This provides a further opportunity for cost savings.

There may be a small number of circumstances in which AAs may wish to seek further, specialist, advice from outside the pool company. This should be with the support and engagement of the pool company.

QUESTION 6

Do you agree that pools should be established as investment management companies authorised by the FCA, and authorised to provide investment advice?

Yes. We strongly agree that all pools should be established as companies authorised by the FCA and that this authorisation should extend to the provision of investment advice.

We agree that pools should be established as investment management companies authorised by the FCA. The FCA permissions should include the provision of investment advice to the AAs, the ability to host and manage collective investment vehicles, act as an ACS and manage segregated accounts.

It is right that the entities and individuals responsible for managing billions of pounds of assets are authorised to do so, held to the highest standards and monitored by their independent regulator. FCA authorisation will ensure high standards of governance, accountability and a properly qualified senior management team and board. In particular, it is essential that anyone, or any company, providing investment advice should be authorised to do so. This will ensure that full accountability sits with the pool company providing that advice.

FCA authorisation will provide reassurance to shareholders and clients. FCA authorisation also ensures high standards, such as around the sufficiency of regulatory capital holdings which provides assurance to shareholders by ensuring the pool company operates within a secure environment and also that it can be a more effective counterparty in the sector. It also provides a level playing field between pool companies.

As we have described elsewhere, since the outset LGPSC has been authorised by the FCA. We hold a full set of FCA permissions to provide our Partner Funds with the full range of investment services (including investment advice and portfolio management). We would be happy to share our experiences with non-authorised pool entities of securing FCA authorisation and operating as an FCA authorised company.

QUESTION 7

Do you agree that administering authorities should be required to transfer all listed assets into pooled vehicles managed by their pool company?

Yes. We agree that all remaining listed assets should be fully delegated to pool management, but the pool company should be able to decide which vehicles provide the best solution where it is not economic to create dedicated pool vehicles (for example, passive equities currently managed by third parties).

We agree strongly that, if the full benefits of pooling are to be realised, delegated management of all listed assets should be transferred to the pool company and managed through its pooled vehicles, unless that does not make economic sense in which case the pool company should be able to determine the best solution for such assets. We believe this is entirely consistent with the intention to leverage the benefits of scale and that pool companies should be responsible for implementing AAs' investment strategies and the selection of managers (including internal asset management).

Within the LGPS Central Pool, good progress has already been made with regard to the transfer of listed assets and further progress was already anticipated ahead of the Mansion House speech. Total assets under management (AUM) in pooled vehicles stood at 39% of our Partner Funds' AUM as at December 31 2024. The proposals set out in the consultation document will provide a further impetus to this exercise which we believe can be achieved by March 2026. Our analysis demonstrates that we can accommodate our Partner Funds' requirements for listed assets currently outside the pool within our existing suite of public markets funds, noting that there may be a small number of cases where we would offer, as an interim step, a discretionary service if it was considered integral to the Partner Fund's SAA. It should be noted that our current fund offerings map to the nine asset classes identified in paragraph 37 (table 2) of the consultation document.

QUESTION 8

Do you agree that administering authorities should be required to transfer legacy illiquid assets to the management of the pool?

Yes. We agree that the management of legacy illiquid assets should be transferred to the pool company. LGPSC has the skills and experience to undertake this activity. We believe that a deadline of March 2026 for completing this activity is achievable.

We agree that AAs should be required to transfer these assets which is consistent with the overall objective of the consultation and of the pool company being the primary adviser to AAs and setting the SAA. We see this as being the route through to pooling all illiquid investments which, as the consultation document recognises, is where the biggest opportunities for cost savings and efficiencies exist. Furthermore, it will allow pool companies a fuller understanding of their AAs' assets.

We would envisage the management of these assets in the first instance will be on a discretionary basis, with the pool company having full delegated authority. Transfer of title to the pool is likely to have adverse tax consequences for AAs or incur other costs including legal and possible termination fees and as such would remain with each AA. As these assets reach maturity (which could take up to 20 years in some cases), we would expect the proceeds to be invested into the pool company's existing suite of private markets products (or any new products deemed appropriate by the pool company in its capacity as principal adviser), thereby enhancing the opportunity for consolidation, cost saving and a more comprehensive consideration of strategic and tactical asset allocation.

Consideration would need to be given to the level of reporting of assets that had not been selected by the pool company.

As described in the answer to Question 9, LGPSC has built up a track record of managing legacy illiquid assets for its Partner Funds over the past 6 years. We will likely need to scale up our existing capacity.

QUESTION 9

What capacity and expertise would the pools need to develop to take on management of legacy assets of the partner funds and when could this be delivered?

LGPSC has the expertise to oversee legacy illiquid assets, and we will likely further scale up our existing capacity to manage an increased volume of such assets. By working in partnership with our Partner Funds, we believe it is possible to deliver this by March 2026.

Since inception, LGPSC has managed (ie undertaken the oversight of) legacy assets for some of our Partner Funds. For example, we manage £1.3bn of infrastructure assets and property assets for one Partner Fund under which we provide investment oversight and management. This includes regular reporting on performance for which we have co-created a reporting template to ensure Partner Funds' needs are met. We therefore believe we already have the internal know-how and expertise to undertake this activity but recognise we would need to scale this up, likely with the addition of new colleagues, to extend this to the legacy illiquid assets currently outside the pool. We would expect

new investment into illiquid assets and the proceeds from maturing legacy assets to be invested through the Company's suite of illiquid products.

Based on our analysis to date, and the skills and experience of LGPSC, we assess it would be possible to transfer legacy assets to the LCPSC under a full discretionary mandate(s) by March 2026.

IMPLEMENTATION

QUESTION 10

Do you have views on the indicative timeline for implementation, with pools adopting the proposed characteristics and pooling being completed by March 2026?

We believe the March 2026 deadline is ambitious but achievable for the LGPS Central Pool. Meeting it will require the pool companies and their partner funds to work collaboratively, but it will also require legislative and regulatory certainty from Government if 'planning blight' is to be avoided.

As we have described above, LGPS Central Limited already operates with a full set of permissions from the FCA. This enables us to provide Partner Funds with the full range of investment services including provision of investment advice. We already have internal investment management capacity, managing almost £12bn of passive equity and fixed income in-house, including our flagship £5.4bn Climate Factor Fund. Currently 69% of our Partner Funds' assets have transferred to LGPSC management or oversight, including most recently £11bn of passive funds held with LGIM, for which LGPSC has undertaken oversight for Partner Funds.

Therefore, while it is an ambitious deadline, we believe that by working in partnership with our Partner Funds and given our resources, market knowledge and investment experience, March 2026 is achievable for the LGPS Central Pool. This assumes the proposals set out in the consultation document are implemented as envisaged.

Further, to help pool companies and AAs meet this challenging timetable, it will be important that legislation and any regulations and statutory guidance are completed as soon as is practicable. Any delays could cause 'planning blight' if AAs do not have certainty as to not only government's intentions, but also the detail of what will be required of them and their pool companies. As we have noted, we are committed to meeting this timetable and, in the absence of legislation and regulatory certainty, will be working at risk, along with our Partner Funds, to meet the March 2026 deadline. This will include recruiting additional resource where needed.

If it were the case that the consultation resulted in the whole-scale merger of pool companies, or a partner fund of one pool joining another pool (for example if its current pool entity did not secure FCA authorisation), it would be reasonable to set a slightly longer time scale for the transfer of that pool's or partner fund's assets to the new host pool company. This is because there would be a number of additional considerations including, but not limited to, an assessment of the assets of the

new partner fund/ pool and how they matched the new host pool's product suite, the possible need to TUPE transfer staff as well as a host of constitutional issues.

OTHER DEVELOPMENTS

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?

We agree there is scope for collaboration between pools. However, we believe this should be purposeful and not simply collaboration for collaboration's sake. It would seem to us that the most fruitful area for collaboration is in private markets to leverage scale. We are discussing potential opportunities with other pool counterparts.

The five regulated pool companies already collaborate on a number of issues. For example, through cross-pool company engagement and collaboration, LGPS rates have been negotiated on common suppliers and favourable tax treatments have been achieved through a collective approach. Cross-pool groups (eg of CEOs or Board Chairs) have met regularly to share experiences and knowledge.

Collaboration is therefore welcome, but it must be effective and purposeful with clear objectives from the outset. Furthermore, we would not want a drive for collaboration with other pools to slow down the trajectory of pooling set out in the consultation.

We think one of the most fruitful areas for collaboration is in the area of private markets. This is an area where scale and 'ticket size' can be very effective in securing the best deals and where the cost savings that can be delivered through in-house management are much higher than in listed markets. So there is merit in pool companies working together to look for co-investment opportunities. Our expert private markets team is already in discussions with their counterparts in other pool companies who can utilise our expertise to source, diligence and jointly invest in opportunities where that capability may not exist in other pools. As example of this would be using LGPSC's ability to do direct and co-investments in private equity in house. However, in those areas (and asset classes) where it is less relevant, we do not believe that an absence of cross pool collaboration should be taken as an indicator of inefficiency; pool companies should be (and LGPSC is) of sufficient scale to function efficiently and effectively and offer their shareholders value for money on a stand-alone basis.

We are also collaborating with pools that are not currently FCA authorised to share our experience and knowledge of operating as an authorised entity. We would be happy to share local expertise with other pool companies. However, as we describe later, for the LGPS Central Pool, our geographical contiguity is a strength and a significant factor in our consideration of local investment (see answers to questions 13-17).

We understand that Government is committed to reviewing the procurement rules so that they fit, and do not act as a barrier, to pooling. In this context, we note that to be compliant with the 'vertical exemption' for procurement, 80% of the pool entities activities must be in respect of its controlling authorities, ie its shareholders. If one pool company were to manage assets for another pool company, it would potentially put this threshold at risk. Therefore, as part of its review, we would urge government to amend (or remove) the threshold. For example, it could be redefined to be broader so that the 80% referred to LGPS entities and not the controlling shareholder entities.

QUESTION 12

What potential is there for such collaboration between partner funds in the same pool on administration and training? Are there other areas where greater collaboration could be beneficial?

We note the collaboration that exists between Partner Funds within the LGPS Central Pool and that further collaboration will likely be needed to fully secure the benefits of pooling, particularly around areas such as local investment and to deliver at pace to secure the transition of the remaining assets outside the pool by March 2026.

A key to the success of pooling at the LGPS Central Pool has been the collaboration between Partner Funds. As pooling develops the need for further collaboration will sharpen, for example to consolidate the number of funds we are currently operating on Partner Funds' behalf, to drive up scale and value for money. We have already seen some collaboration on training, for example pool-wide training on the role of shareholders and there is no doubt scope for further collaboration.

The pool companies will also need to take on a more advisory role to ensure there is a coherent and consistent approach to responsible investment and its implementation across AAs and to realise the further efficiencies that are envisaged by Government.

LOCAL INVESTMENT

We agree that there is a role for AAs, working in partnership with their pool companies to invest to support local growth opportunities and to enhance local communities. The LGPS Central Pool already invests in its region. For example, we have invested £30m in NHS facilities in Derbyshire and Telford. However, we would strongly caution against government directing AAs or setting target allocations to invest in particular asset classes or geographies as is suggested in paragraph 67 of the consultation document.

QUESTION 13

What are your views on the appropriate definition of 'local investment' for reporting purposes?

Local investment should mean within the footprint of the pool company.

A definition of local investment based on the geographical footprint of the pool is, in our opinion, sensible. This has particular strength in a geographically coherent pool such as the LGPS Central Pool. However, we note that investment in neighbouring AAs could have an economic 'halo' effect for the pool company's AAs.

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?

A successful local investment strategy designed to deliver growth will rest on an effective partnership between AAs, their local government institutions, their pool company and central government working together to identify suitable assets. However, the pool company will need to look across the benefits to all the pool's partner funds as in any assessment of viability. It is why we believe that local investment targets are also best set at pool level.

We envisage the successful delivery of local investment will be based on a partnership between the AA, the pool company, local government entities (eg Combined Authorities, Corporate Joint Committees etc) and central government. The latter will have an important role via the institutions it is establishing, such as the British Growth Partnership, in connecting AAs and pool companies with local investment opportunities. For the strategy to have impact, these will need to be in *new* investment opportunities; simply investing in assets that would have been invested in anyway will not result in genuine growth.

It will not simply be a case of AAs identifying opportunities and for the pool company to conduct due diligence. We would envisage the pool company being involved from the outset and involved in helping to source assets. This will further help to protect AAs from any potential or perceived conflicts of interest and to ensure that, across the pool, the risk of poorly performing assets can be managed.

It is important to note that in assessing the viability of an asset, the pool company will have regard to its performance for the pool and its partner funds as a whole, not simply the AA that is offering the asset for investment consideration.

QUESTION 15

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

Local investment target ranges should be set at the pool level. AAs should set out the agreed pool-wide local investment target ranges in their investment strategy statements.

Working with its pool company as its principal adviser, the AA's high level investment strategy based on return, risk and liquidity requirements would also take into consideration high-level local investment opportunities.

Ultimately, however, we believe these should be translated into a pool-wide local investment strategy and target (or target ranges). Given the likely small scale of local investments, this is more consistent with the drive to pool investments into a single pot/ pooled vehicle. It would run counter to the concept of pooling if pool companies were required to create separate local investment vehicles for each partner fund and it would also be resource intensive and costly. As with our work on ESG, we would anticipate these targets would be agreed through a process of collaboration and engagement and based on local growth plans and knowledge of local investment opportunities.

As noted in question 16 we would envisage that implementation could be via a local opportunities fund or allocating a percentage of relevant asset classes or multi-asset funds to local investment opportunities.

The pool-wide target ranges should be set out in the AA's investment strategy statement.

QUESTION 16

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

Yes. It is right that due diligence is undertaken by the pool company and that it develops the capacity and skills to undertake this activity.

We agree that the pool company should undertake due diligence of any local investment opportunity and manage the investments. As Government has identified, it is within the pool company that the relevant expertise will reside. It is appropriate, therefore, for the pool company to develop this capacity internally and it is consistent with building direct capacity in private markets more generally. An example of where LGPSC has undertaken due diligence on behalf of one of its Partner Funds is that of a private credit fund focused on making loans to local SMEs.

Implementation of local investment opportunities could be via a local opportunities fund or by the pool company allocating a percentage of the appropriate asset class or multi-asset fund to local 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?

Yes. However, impact is hard to assess and any definition should not be overly prescriptive. The SAB must work with all pool companies in developing its guidance in this area.

It is right that AAs report to members on how and where their pension fund assets are being invested. Seeing where pension fund monies are invested locally could further encourage member engagement with their pension.

'Impact' is hard to measure, especially over the short term. We would therefore urge caution in being over prescriptive. However, it could include environmental impact (eg reduction in CO² emissions from improving local housing stock), job creation, or reductions in numbers on local authority housing waiting lists. As we already do with Responsible Investment and Sustainability (RI&S) reporting, we would support our Partner Funds in producing such reports.

If the SAB is to develop guidelines on reporting, it will be essential that it works with, and takes views from, all pool companies on what good reporting should look like.

GOVERNANCE OF FUNDS AND POOLS

The Board of LGPSC has always placed a premium on good governance. We believe it is the foundation on which we will deliver the governance required for good investment outcomes and through which we are accountable to our shareholders. Together with our Partner Funds we have put in place a governance framework that ensures effective oversight by, and engagement with, our Shareholders which recognises the partnership approach that is embedded within the LGPS Central Pool and the importance of our Partner Funds as our owners. This engagement includes an active Shareholders' Forum which meets four times a year and which includes updates from the Company (executives and NEDs) on shareholder matters, regular face to face meetings with Shareholder representatives, weekly engagement with AA pensions officers and twice-yearly company meetings which are the opportunity to present resolutions for approval by our Shareholders to progress Company business.

FUND GOVERNANCE AND REPORTING

QUESTION 18

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

Yes. We agree with the overall approach to governance which we believe will enhance governance across the LGPS.

As described above, we consider good governance to be at the heart of good pension provision and the effective stewardship and management of assets. Taken in combination we believe the overall approach to governance outlined in the consultation paper will help ensure there are high standards of governance across the LGPS.

However, further clarification is required over the role of the independent adviser/committee member with regard to that of the pool noting that their role would be to support the committee and provide challenge to the pool company but not to select managers, for example.

Based on our experience, we have set out in our answers to this consultation some ways in which the proposals could be improved.

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.

Yes. We agree with the proposal that AAs should prepare and publish a governance and training strategy, including a conflict-of-interest policy. We believe it would also be appropriate to develop and publish a delegations policy.

In our experience it is helpful for governing bodies to have documented policies concerning their governance and related activities. It helps clarify roles, responsibilities, expectations, processes and reporting. It is why we have developed a suite of governance policies to support the effective management and governance of the pool company by its board and executive. We recognise that many AAs will already have such policies in place. The governance strategy could usefully also include a delegations schedule documenting, amongst other things, delegations to the senior LGPS officer and the responsibilities of the pensions committee and those of the pool company.

A conflict-of-interest policy that identifies any actual or perceived conflicts of interest and their management is especially important given the complex nature of relationships within the LGPS. It is likely to become more important as the volume of assets in local investment grows.

QUESTION 20

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

Yes. We agree that the appointment of a senior LGPS officer would be beneficial and would support the vision for pooling set out by government. We would expect the pool to work in close partnership with the senior LGPS officer.

The appointment of a named senior LGPS officer would, in our opinion, be beneficial. It would provide a senior individual to engage with the pool company at a strategic level, including on local investment opportunities, and to be responsible for setting the strategic investment objectives for the fund which would, in turn, be for the pool company to develop into a SAA and to implement.

We would expect the senior LGPS officers and senior pool company officers (eg CEO, CIO and Chief Commercial Officer) to work in close partnership. We would also envisage the senior LGPS officer would provide strategic advice to the pensions committee and local pensions board and to ensure effective governance and reporting was in place. In many instances across the LGPSC's Partner Funds, the key pensions officer is already someone who would satisfy the description of senior officer outlined in the consultation document.

QUESTION 21

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

Yes. We agree with the proposal.

This is primarily a matter for AAs. This could help to ensure that fund administration processes are documented and that there is consistency across all AAs. We agree that statutory guidance would be helpful in achieving these twin objectives.

QUESTION 22

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

Yes. We agree with the proposal.

There is a large volume of reporting that AAs' pension funds are required to undertake. Whilst it is important that funds report, the volume of reporting can sometimes detract from its readability and accessibility for members, employers and others. Therefore the proposal to reduce the volume of reporting would seem sensible. It could be appropriate to require the annual report to provide links to the strategies which could be published on the fund's or AA's website.

QUESTION 23

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

We support the recommendation for regular independent external governance reviews but would suggest that these are conducted every three years, not every two. They must be conducted by someone who is completely independent of the AA but with knowledge of the pensions and LGPS sectors.

As part of its commitment to good governance, LGPSC conducts annual governance reviews. Every third year, the review is undertaken by an independent, external, board governance specialist with expertise in investment and knowledge of the LGPS and pooling sector. In the intervening two years, an internal board evaluation is undertaken. Two such external independent governance reviews have been undertaken since the pool's inception.

A triennial independent governance review is in line with the best practice as set out in the Corporate Governance Code and is the expectation we set for our investee companies. We would suggest, therefore, that triennial external governance reviews may be more appropriate.

For such a review to be meaningful it is essential that is conducted by someone who is independent of the fund and its advisers and an expert in governance best practice. It would not be appropriate to commission the AA's actuarial advisory firm or legal advisers to conduct the review, for example.

Based on our positive experience of independent board evaluations we would recommend the review include the following:

- A review of the efficacy and efficiency of meetings, including challenge to officers and advisers. This would be achieved by the reviewer observing committee meetings and sub-committee meetings where they exist.
- A review of committee minutes, papers (for the year in review), terms of reference and other relevant governance documents (eg conflicts of interest policies) to ensure that the committee is receiving information at the right level to enable it to make decisions and have sight of the right issues at the right time. This would also ensure that the core elements in the good governance framework such as hours dedicated to training, levels of knowledge and understanding, consideration of conflicts of interest and risk management and associated are being adequately considered, reviewed and managed.
- Role definitions, authority to act, delegations etc.
- Face to face meetings with committee members, key officers and advisers (eg internal and external auditors, actuarial advisers and independent advisers) to understand views on what is working well and where there is room for improvement.

The review would be preceded by a discussion between the reviewer and the committee chair to get their views on any areas of concern and to agree expectations for the review.

The reviewer would then write up their findings. The reviewer's report should include observations and recommendations. It would then be for the senior LGPS officer (and the committee chair, if appropriate) to develop an action plan for implementing those recommendations for discussion and adoption by the committee.

This more qualitative approach enables a thorough look into the entity's governance practices and culture whilst also ensuring there is scope to tailor the review to the particular governance needs of the committee which are likely to vary across AAs and vary from one review to the next as governance improves and circumstances and personnel change. At the same time, such a format would also ensure a measure of uniformity that could be of benefit to MHCLG and the SAB in assessing the overall efficacy of governance across the LGPS. The revised Corporate Governance Code recommends a qualitative approach of the kind outlined above as best practice.

QUESTION 24

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

We agree with the proposal that pension committee members should have the appropriate levels of knowledge and understanding. LGPSC is happy to support the provision of training to our AAs' pension committees.

As workplace pension provision becomes more complex across administration, investment and member communications, it is important that those with the responsibility for the good running of the fund in members' best interests have the relevant levels of knowledge and understanding. This

has been a requirement for private sector workplace schemes overseen by The Pensions Regulator (TPR) since 2006. We also note, as set out in the consultation document, that there is a requirement for knowledge and understanding for local pension boards but not pensions committees. Notwithstanding the increased involvement of the pool in providing advice, asset allocation and local investment, pensions committee members will continue to have an important role to play, and the fiduciary duty for the scheme will rest with them. It is important, therefore, that they have the appropriate skills.

LGPS already provides training for pensions committees, for example on specific asset classes such as private equity. We would be happy to provide further training as required by AAs.

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?

Yes. We agree with the proposal to require AAs to set out how they ensure appropriate levels of knowledge and understanding are being met.

We note that in large pension schemes, such as Master Trusts, trustees are required to set out in their Chair's Statements the training that has been undertaken during the scheme year being reported on and how the trustees have maintained the required levels of knowledge and understanding. This provides reassurance to members and the regulator that appropriate standards are being met and maintained. We believe that such a process could be followed for LGPS pension committees.

QUESTION 26

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

Taken together with the appointment of a senior LGPS officer, the requirement for an independent adviser/committee member could help achieve the governance enhancements to LGPS funds the government is seeking.

This is primarily a matter for Partner Funds.

However, we note the trend for private sector pension funds to appoint professional trustees to their boards to help trustees manage and navigate the growing complexity of pension provision today (including regulatory, reporting, administration and investment). It is usual for those trustees to hold the kind of professional accreditations, eg PMI, APPT, set out in the consultation document. Such an independent serving on a pensions committee could support the committee and ensure it had the appropriate level of knowledge and understanding. The independent member/adviser could also provide constructive challenge to the pool company.

For this role to be effective, it will be important that the remit of the adviser/external committee member is clearly defined and delineated against the role of the pool company, ie that the pool company's role is to provide asset allocation advice, implementation and select asset managers while the adviser/member's role is to challenge and support the pension committee's understanding. It would not be their job to select managers or to recommend or decide on alternative implementation solutions, as some pool companies have witnessed in the past and which has not always supported pooling.

POOL GOVERNANCE

QUESTION 27

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

Given the different models of shareholder representation available and the different preferences of partner funds within pool companies we recommend Government permits flexibility in its approach to shareholder representation on pool company boards.

We believe it is essential for pool companies to have effective and collaborative relationships with their shareholders, and for shareholders to have visibility of their pool company's work and to be able to actively challenge the pool company's board and executive. At LGPSC, collaborating with our shareholders, we have worked to build such relationships. For example, each NED (other than the Chair) is "buddied" with two Partner Fund Shareholder representatives. We also have regular touch point meetings with the Chair and Vice Chair of our Shareholders Forum. This ensures there is a direct line of communication between the NEDs on the Board and Shareholder representatives.

However, from the outset of the Company, our Shareholders decided they did not wish to have a shareholder representative on the Board. It remains their view that it would not be appropriate for an elected member (councillor) to serve on the Board of an FCA regulated company. Shareholders have told us they would not have the requisite skills and that, because the electoral cycle means that councillors have potentially short tenures, that may make them unsuitable for a long-term Board position.

We are aware that there are different models of shareholder representation each with pros and cons. Figure 2 below sets out the pros and cons of each main option:

Figure 2: Models of Shareholder Representation on the Pool Company Board



OPTION	PRO	CON
Chair/ VC of Shareholder Forum (SHF) elected members join the Board as a NED	<ul style="list-style-type: none"> Direct link to Partner Funds 	<ul style="list-style-type: none"> Skills and experience – especially if the pool becomes an enhanced firm with additional FCA oversight SH Chair/ Vice Chair rotate every year – lack of stability Councillors have electoral terms (uncertain) Not wanted by Central Pool shareholders
S151 officer joins the Board as a NED	<ul style="list-style-type: none"> Skills and experience 	<ul style="list-style-type: none"> May not have time Would need to devise a selection process
Board appoints a NED through usual recruitment process to become the SH NED with investment and LGPS experience/ knowledge	<ul style="list-style-type: none"> Skills and experience SHs involved in selections process (must ratify appointment under SHA) 	<ul style="list-style-type: none"> Potential conflicts of interest – NED must act as a NED (Companies Act) , not as a representative of SHs
SHF could appoint an independent expert to be the SH NED	<ul style="list-style-type: none"> Investment expertise & LGPS knowledge Longer appointment – greater certainty for the Board Direct link to SHs 	<ul style="list-style-type: none"> Potential conflicts of interest – NED must act as a NED (Companies Act) , not as a representative of SHs
SHF appoint an investment expert to chair the SHF and to become the SH NED	<ul style="list-style-type: none"> Investment expertise Longer appointment – greater certainty for the Bd Direct link to SHs 	<ul style="list-style-type: none"> Potential conflicts of interest – NED must act as a NED (Companies Act) , not as a representative of SHs
Assign an existing NED to be the SH NED	<ul style="list-style-type: none"> Can do simply within existing structure Low cost option (no additional fees) 	<ul style="list-style-type: none"> May not be seen as a Shareholders NED by Partner Funds. Potential conflicts of interest – NED must act as a NED (Companies Act) , not as a representative of SHs
Retain status quo	<ul style="list-style-type: none"> Leverages already strong links with SHs Low cost option (no additional fees) 	<ul style="list-style-type: none"> May not be seen as a Shareholders NED by Partner Funds

We therefore consider each pool company should, working closely, with its shareholder representatives, determine the most appropriate way to engage with shareholders. Pool companies should report in their annual report and accounts how they have engaged with shareholders over the year to demonstrate accountability to their owners.

QUESTION 28

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

We already provide a number of opportunities for members’ views to be taken into account, including via the Joint Committee. However, we would be happy to do more such as presenting to and taking member feedback at PF AGMs.

We recognise that the primary point of contact for members will be with their fund and AA. However, with an expanded role for pool companies, there is a case for ensuring that members have a good line of sight into the work of the pool that is investing and stewarding members’ pension fund assets.

The LGPS Central Pool is already structured to facilitate member input and engagement. For example the Joint Committee (JC) includes a trade union representative who can voice the views of members. The JC also seeks, and regularly receives, questions from members and the public more generally, who are also able to attend JC meetings. The questions (which have tended to focus on ESG issues) are answered, where appropriate, by a LGPSC colleague. We have also presented to local Pensions Boards which can also be a useful way to gather member feedback.

We have placed a large volume of information on the Company website which is available to scheme members.

Many of our Partner Funds hold Annual General Meetings for members and LGPSC would be happy to present at these meetings, or other member forums as Partner Funds determine, as a way to gather and respond to members' views.

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?

We agree that pools should report consistently and transparently to their shareholders. However, Government should guard against over reporting and any metrics must be meaningful.

We have observed different pools reporting in different ways on similar data. This has resulted in different (and sometimes misleading) views of the success, or otherwise, of pool entities. We do not consider this to be helpful to AAs, scheme members or government. Greater consistency would help, and we note that this is the general direction of travel elsewhere across the pensions sector, eg the value for money framework for DC funds.

However, careful definitions are required, for example on the percentage of assets pooled, and on the metrics that are within scope. Simple metrics such as the percentage of assets meeting the benchmark are not in themselves helpful (eg they do not take account of risk taken).

It is important that any reports produced by the pool company is accessible to members and AAs in their capacity as shareholders. Government should be cautious about requiring overreporting which can have the tendency to make reports less accessible and transparent.

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.

We have not identified any such groups.