

# Compliance and Reporting Committee (CRC)

**HYBRID MEETING – 23<sup>RD</sup> OCTOBER 2023**

## **ITEM 5 – PAPER B**

### **ANNUAL REPORT GUIDANCE – WORKSTREAM UPDATE**

#### **Current position:**

1. Workstream participants have reviewed the 2019 Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and identified changes required to improve the current guidance and bring it up to date.
2. A revised version of the guidance, with tracked changes from the old version, is now ready to move to final drafting and public consultation. However, consideration needs to be given to the proposals in DLUHC's recent [Investments Consultation](#) and how these could affect the final publication timetable.
3. Within the [Investments Consultation](#) document, question 5 specifically asked for respondents to comment on the proposal for additional reporting within the fund Annual Report and pushes for consistency in reporting of assets with paragraph 38 proposing *'to require a single standard set of data on investments across annual reports and LGPS statistics'*.
4. More consistency of reporting across fund Annual Reports is welcome, however the timetable for any new reporting needs to be considered. The timeliness of DLUHC's response to the Investments Consultation outcome is critical for many in the LGPS, but specifically for the Annual Report guidance it will have an impact on the timetable if any new proposals are delayed. The new Annual Report guidance is proposed to be in place from 1 April 2024 and it is acknowledged that officers will need the new guidance as early as possible in the calendar year of 2024 to prepare.
5. The SAB secretariat are in discussions with DLUHC to ensure that any proposals affecting the Annual Report guidance are shared as soon as possible to avoid the need to update the guidance again, and to give funds as much time as possible to prepare. However, it is acknowledged that it may not be possible for funds to report on all the new requirements for the 2023/24 reporting year (for reports to be published by 1 December 2024) as changes to the recording and reporting of data may take time to implement.
6. It was reported at the June 2023 CRC meeting that fund administration officers will be invited to provide feedback separately on the

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administration Key Performance Indicators (KPIs) in the current guidance and this was undertaken using the National Technical Working Group.

7. In total, 9 funds met with the SAB Secretariat individually to provide feedback on how the current administration KPIs could be developed and feedback was also received by the SAB Secretariat attending Pension Officer Groups. The team will also present the developments to the Pension Administration Managers conference in November 2023 in Torquay.
8. It is noted that some of the new administration KPIs might not be currently collected and/or reported by all funds but feedback indicated that including them in the guidance would help funds develop these areas in the future. The administration KPIs have been expanded to champion the engagement work undertaken in addition to actual casework such as retirements and deaths. The new KPIs also aim to highlight the time spent dealing with scheme members and employer queries and will be useful to monitor whether this increases or decreases in the future.
9. The SAB secretariat are also considering whether any administration KPIs can be collected and reported at scheme level, to be included in the SAB Annual Report. This would not be for a benchmarking or league table exercise, instead it would highlight the volume of work and any emerging issues in the administration arena.
10. Workstream volunteers have also highlighted to DLUHC the requirement under Regulation 57 of the LGPS regulations 2013 for funds to reproduce policy statements within the Annual Report. This is seen as an unnecessary requirement and a request has been made to DLUHC to allow the appropriate website links instead.

## Next steps:

11. The Committee has previously noted inconsistent compliance with the existing annual reporting guidance by funds. It is therefore important that all funds are helped and encouraged to adhere to the new Annual Report guidance and the workstream have acknowledged that this is critically dependent on the guidance being freely available and published in good time to be built into the 2023/24 reporting period timetables. However, confirmation of the final drafting timetable is largely dependent on the outcome of Item 4 on the agenda.

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