

Scheme Advisory Board

HYBRID MEETING – 21 July 2025

ITEM 10 – PAPER H

COMPLIANCE AND REPORTING COMMITTEE (CRC) Update

Workplan update – summary of workstreams

1. This paper summarises the agreements and the work undertaken by the CRC and its workstreams since the last Board meeting in March 2024. The Board Secretariat wants to thank all volunteers within each CRC workstream for their continued input into each project.
2. Since the Board last met, the Government has published [its response to the Fit for the Future consultation](#). For the governance proposals, the proposals are to be implemented through amendments to LGPS regulations and statutory guidance. However, the requirement to undertake an Independent Governance Review (IGR), are conditional on progress and final assent being granted to the Pensions Bill.
3. We have been working closely with Ministry of Housing, Communities and Local Government (MHCLG) officials to pull together a project plan for the work, including understanding priorities and some of the contingencies around the passage of the Bill and the drafting plan of the necessary regulatory amendments and associated guidance.
4. When the CRC next meets on 20 October 2025, it has been agreed that an interim progress report will be supplied to allow the Committee to be sighted on progress.
5. At the last CRC meeting, it was commented that there is likely to be a wide-ranging distance to travel across funds to implement the governance proposals.

Audit workstream

6. Since the Board last met, the Government published a response to the consultation for the ['Strategy for Overhauling the Local Audit System'](#) which provided a commitment to the decoupling of pension fund accounts from administering authority main accounts. The audit working group were working with MHCLG on the proposals, the timetable and process for implementation.
7. The audit working group met on 10 June 2025 and also discussed the recent announcement on the [Virgin Media case](#), which was seen generally as a positive development, but more information is still needed to understand how this would impact the LGPS. The Secretariat agreed to organise a meeting of the next Audit Roundtable group, likely for September.

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Good Governance workstream

8. The working group met on 10 June 2025. The working group were asked for views on the prioritisation level of guidance statutory guidance and which of the required individual sections to be drafted first. I
9. The group were informed that there will be three guidance documents produced: Governance Guidance, Training Strategy guidance and Administration Strategy guidance.
10. The Governance Guidance would comprise the following sections:
 - Independent governance review
 - Knowledge and skills requirements
 - LGPS Senior Officer
 - Conflicts of interest
 - Pool governance

Knowledge and Skills workstream

11. The working group met on 9 June 2025 to discuss the Government response to the Fit for the Future consultation. The working group discussed how specific areas would be addressed in the guidance, such as requirements on for voting (and non-voting) members, substitutes, how competency was to be measured and the benefits of producing a skills matrix.
12. The group were informed that MHCLG officials would share the relevant sections covering knowledge and skills of the governance guidance, once drafted, for comment.

Peer Support Offer workstream (project update)

13. At the March 2025 meeting, the Board meeting agreed, the below milestones:
 - November 2024 – Board approval of workstream **(completed)**
 - January 2025 – March 2025 – project scoping, including creation of working group and initial engagement with MHCLG on proposals **(completed)**
 - March 2025 – Terms of Reference and other project documentation proposed to the Board **(completed)**
 - April, June, and September 2025 – working group meetings arranged **(majority completed, September to be organised)**
 - June 2025 – initial findings presented to CRC **(completed)**
 - July 2025 – project update to Board **(completed)**
 - October 2025 – draft framework and models of a LGPS peer support offer, including consideration of budget and other constraints **(ongoing)**
 - November 2025 – project proposal delivered to the Board **(changed to ‘ambition’)**

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14. Since the last Board meeting the Peer Support working group have met twice - in April and June 2025. At the April working group, feedback was given from the group on what a LGPS peer support offer could look like for the LGPS. The Secretariat also provided background into the proposals for LGPS specific peer support, the purpose of the working group and an overview of LGA Corporate Peer Challenge (CPC); which explained how the LGA peer challenge works for councils. That discussion was reported to the [CRC when it met in June 2025](#).
15. In line with the project milestones, the Secretariat presented initial project findings and the feedback from both working group meetings at the June 2025 CRC meeting. The Board is asked to note these initial findings at **Annex A**.
16. At the 12th June 2025 meeting, the group discussed the relation of peer support to the MHCLG proposals for an Independent Governance Review (IGR). It is expected that more information about IGR's will be published in statutory guidance. The group also considered the access route into peer support, scope and framework. Although the outcome of the IGR will be one main route, it wouldn't be the only route.
17. The group felt self-referral would be a credible and pro-active option that some funds would take. It would take time to build scale and the idea of a rolling programme for all administering authorities was thought to be aspirational and could be brought in at a later stage.
18. At the CRC held on 23rd June 2025, it was agreed that the Secretariat would draw up plans to undertake some piloting of the offer as "proof of concept", initially be funded by the Board's levy. An amount for this is included in the outline Board budget for 26/27 to be discussed at Agenda Item 13 (Paper K).

Recommendation – that the Board notes the progress made by the CRC on the issues set out above and contained at Annex A of the paper.

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Annex A – Initial findings for Peer Support Offer for the LGPS

Purpose

19. It seems appropriate to learn from (in a proportionate and manageable way) the principles and format of the [LGA](#)'s valued sector-led improvement and assurance offer to LGA member Councils, but tailored to a LGPS context. Recognising however the long-term journey to establish such a process as industry recognisable at the LGA's offering.
20. Peer support offer should help reflect with respected peers on current processes, practices and performance through the lens of good governance and by recognising and celebrating excellence.
21. A standard framework of principles to shape discussions assists in the delivery of a peer support offer, although to meet specific needs should be able adapt and can involve other areas agreed with the organisation receiving the support.
22. Peer support can provide targeted support to help an organisation undertaking their statutory (or non-statutory) duties or plan for change/improvement via a cohort of experienced, skilled and qualified individuals from other AAs.
23. It consists of matching an organisation who wish to learn from others and receive the support provided by peers. The type of support is generally led and determined by the needs of the recipient.

Access and route into peer support

24. It is anticipated there could be various routes for AAs to access peer support:
 - Administering Authorities' self-referring to access peer support
 - To assist with recommendation(s) following an Independent Governance Review
 - Referral made by The Pension Regulator.
 - Rolling programme
25. As demonstrated in the list above, there may be several reasons and routes why an AA may want access peer support. The Secretariat believes it is not helpful to restrict the reasons or circumstances leading into peer support but acknowledges that the Government's proposed IGR will be one determined route, but not the only route. Below are some examples of when peer support could be a support the sector to bring to life the offering. Below are illustrative examples only.

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Example 1

26. A Pension Committee has new membership and with a mixture of new and experienced Pension Committee members. As part of this period of change, the Pension Committee Chair wishes to explore and identify how the current governance structure and procedures compare with similar and varying sized funds. With established and new roles in place, the LGPS Senior Officer believes the fund could benefit from the extensive LGPS network for the newly formed Pension Committee to learn from. This could be to reflect on the funds achievements to date and to establish the ambitions and future needs of the fund, whilst identifying the challenges and emerging issues.

Example 2

27. A new Local Pension Board chair has been appointed, and they want to gauge how the Local Pensions Board has contributed to supporting the Pension Committee in the past and be proactive as to whether it could do so more effectively in the future.

Scope

28. The scope of the peer support is to focus on the pertinent issues affecting that organisation, to reflect on current processes and practice but also to champion change and improvement through good governance and by recognising and celebrating excellence. The ultimate aim and role of peer support is to cover all aspects of LGPS management activity which an AA needs support with and including administration, governance and investments functions. Due to the scale and depth of LGPS fund management, a framework needs to be developed and possibly incrementally to deliver the needs of the entire LGPS function.

Framework

29. It is thought that the specific scope and themes explored in peer support will largely be determined by the specific route into the support (i.e the recommendations made following the Independent Governance Review or an AA self-referring). However, a process framework would need to be developed to provide a starting point for a particular peer support event. This is a key part of the peer support process and which needs to be explored by the Peer Support Working Group. As an example, the LGA's successful peer support program is based around five 'themes which are:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

30. Views are encouraged on the use of themes suitable for the LGPS, how these could be applied to the LGPS or whether new or adapted themes could be used. As an example, an LGPS framework could focus on specific themes such as: People, Management, Processes, Partnership, Decisions and Performance. These are some high-level examples only,

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there is an option to more closely relate these themes to modules in the TPR's General Code or Independent Governance Review criteria (once more is known on that).

31. The Secretariat are continuing to scope out the work involved to create a peer review service and identified the following next steps for 'fact finding' but believe this list will continue to evolve:

- Understand how peer support works for service-specific functions (such as [Planning Advisory Service](#))
- Identifying the potential frequency/demand of peer support offering and funding options*
- Establishing framework options and themes
- Identify administrative support requirements
- Recruitment options and scope for establishing a peer network
- Facilitation support options
- Training requirements of peers
