

Scheme Advisory Board

HYBRID MEETING – 24 MARCH 2025

ITEM 12 – 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 workstream group since the last Board meeting in November 2024. The Board Secretariat wants to thank all volunteers within each CRC workstream for their continued input into each project.

Audit workstream

2. Following the publication of the [Government's English Devolution White](#) paper on 16 December 2024, an open consultation was launched by Government setting out proposals for overhauling the local audit system in England. The consultation ([Local audit reform: a strategy for overhauling the local audit system in England](#)) closed on 29 January 2025 and set out a series of measures to improve the local audit system and mentioned a commitment to consider legislating to decouple the pension fund accounts from the main accounts of the administering authority.
3. [The Board's response was submitted](#), based on views obtained from the CRC's audit working group and the December 2024 audit roundtable meeting. The response was supportive of the decoupling commitment and made more detailed comments around the implementation, e.g. the impact on the audit timetable that might come with decoupling, the role of the Key Audit Partner, considering practicality for funds and the needs of scheme employers.
4. The Audit Roundtable met in December 2024 and will meet again in the Summer. Aside from audit separation, the Virgin Media 37 case was also discussed by the CRC, and it was agreed to write to Pensions Minister Torsten Bell to request that certainty is brought to the sector on the matter.
5. Reflecting the growth in the remit of the audit working group, e.g. with the proposed accounts decoupling, the CRC agreed to extend the membership of the Audit Working Group to include a representative from the audit firms on the Public Sector Audit Appointments (PSAA) framework. The CRC felt that it was not practical to have all the firms represented but they would see whether one representative (from Grant Thornton as they volunteered) would work on the condition that they would need to represent the audit firms more widely.

Good Governance and Administration workstream

6. The Good Governance and Administration working group has met twice since the last Board meeting. In both meetings, discussions centred

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around the governance proposals in the Government's [LGPS Fit for the Future consultation](#). The working group is expecting to input into revising the 2008 governance compliance statement statutory guidance in the coming months. Later in the year, the group would assist in the production of statutory guidance on administration strategy statements.

7. There is still some uncertainty on whether the new governance guidance will include the representation of scheme members. It was confirmed by MHCLG that the specific details of the role of the LGPS senior officer would be contained in guidance.
8. The CRC discussed the proposals for funds to have an LGPS Senior Officer, with some views that the role needed to be a standalone statutory role, and that guidance should specify what the expectations are for the senior officer. Discussions also covered the proposed new administration statutory guidance, with views that it will be important to consider what is currently done and measured in terms of Key Performance Indicators to ensure how these are presented but also contextualized. The Secretariat would obtain views on this from pension officer groups at key events, such as the Pensions Managers conference in Torquay.
9. The Board Chair's [letter](#) sent to administering authorities about ensuring they provide appropriate resources for effective pension service delivery was discussed and it was felt to be a helpful reminder for administering authorities at this time.

Knowledge and Skills workstream

10. The working group met in January 2025 and welcoming three new members. It also discussed the Board's response to the [LGPS Fit for the Future consultation](#) and it was agreed to develop guidance to assist funds when creating a Training Strategy (taking into consideration the current existing documents/content).
11. In developing new Training Strategy guidance the group will identify the gaps that exist, the priority of certain topic areas and consider the current CIPFA guidance and future landscape. The group felt that the eight areas within CIPFA guidance remained largely relevant, but areas where the guidance could be developed further or given greater priority include; local investment, 'soft' skills (decision making, communication, chairing skills etc), issues specific to dealing with lobbying and fiduciary duty and conflicts of interest.
12. As well as identifying the necessary knowledge and skills topics, the working group have started to consider what scheme-specific Training Strategy guidance could look like and the CRC agreed a list to evolve into guidance.

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Peer Support Offer workstream

13. At the November 2024, the Board asked the Secretariat to scope out a peer support service for the LGPS. The CRC agreed the initial stages of this project and a Terms of Reference which can be found at **Annex A** and the Board are asked to approve this document. The milestones proposed for this project are:

- November 2024 – Board approval of workstream (completed)
- January 2025 – March 2025 – project scoping, including creation of working group and engaging with MHCLG on proposals
- March 2025 – Terms of Reference and other project documentation to be proposed to the Board
- April, July, and September 2025 – working group meetings
- June 2025 – initial findings presented to CRC
- July 2025 – project update to Board
- October 2025 – draft framework for models of a LGPS peer support offer, budget and constraints presented
- November 2025 – project proposal delivered to the Board.

14. The Secretariat have met with the Local Government Association's Improvement team to gauge the work involved in setting up a peer support service and to learn from the approach taken by the LGA, with the specific focus on governance peer support for LGPS funds.

15. In January 2025, an invitation was added to the [LGPC monthly bulletin](#) sent to LGPS stakeholders seeking volunteers to participate in a working group to scope out the offering. Twelve volunteers representing eight funds have been received, a representative from The Pensions Regulator will also join and the first meeting is to be convened in due course.

16. For this working group, the peer support offer will be the focus, and the proposed independent governance review is considered a separate strand, although linked. It is envisioned that the peer support offer would be similar to LGA's service for member councils as a well-recognised developed service.

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