

Scheme Advisory Board

Hybrid Meeting – 24 November 2025

Item 13 – Paper H

Compliance and Reporting Committee (CRC) Update

Workplan update – summary of working groups

Current position

1. This paper summarises the work undertaken by the CRC and its working groups since the last Board meeting in July 2025. The Board Secretariat wants to thank all volunteers within each CRC workstream for their continued input into each project. During what is an extremely busy time in the LGPS, it has been appreciated that both the working groups and CRC members have given their time and expertise generously to MHCLG to help shape guidance.
2. Ministry of Housing, Communities and Local Government (MHCLG) officials attended each of the CRC's working groups meetings to present the progress and policy positions for each of the workstreams. During each of the working groups, MHCLG's shared (confidentially) the latest position with the CRC's working groups for their views. The Secretariat have also regularly met with MHCLG officials to understand the timetable that MHCLG are working to implement the Government's Fit for the Future proposals, including understanding the drafting plan of associated guidance.
3. The CRC met on 20 October 2025, however in advance of that meeting, a progress update on the drafting of the Governance Regulations and accompanying guidance was provided to the CRC. The progress of each workstream is below.

Audit working group

4. The working group's main aim is to inform policy on proposed changes to decoupling pension fund accounts from local authority accounts. At the September 2025 working group, the group received an MHCLG presentation on the process and current policy position. Officials shared potential changes (not yet official policy) and ongoing work to review legislative frameworks, accounting rules, and audit processes, drawing on Wales's experience where accounts have been decoupled for many years. The group provided feedback on:
 - Timing and publication of audited accounts.
 - Feasibility of the implementation timetable (possibly for separation from 2026/27 accounts)
 - Changes to publication rules, Annual Governance Statement, Value for Money assessments and scrutiny of accounts
 - Sign-off processes and key audit partner requirements.

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5. The proposal for each fund to have an LGPS Senior Officer was also discussed; specifically, how this role would interact with the statutory role of the Section 151 officer and where the responsibility will be held for the fund's audit and accounting responsibilities. The Audit Roundtable meeting was held on the 7 November 2025. This body, which also comprises representatives of the local government sector audit firm, regulators and standard setting bodies reviewed a similar set of issues.

Good Governance working group

6. The group met on 3 October 2025 to review MHCLG's policy thinking and priorities for governance guidance. A further consultation on LGPS regulation changes and guidance is expected later this year. The group discussed implementation of the Independent Governance Review and who would undertake this role and be truly 'independent.' The group felt that procurement of an IGR should not be overly prescriptive to avoid narrowing the pool of organisations/people who could undertake a review.
7. The LGPS Senior Officer role was also considered and how this role fits within current fund structures. Reporting lines and how the role would work alongside the Section 151 officer was discussed, with feedback that regulations should allow some flexibility for local arrangements. The Independent Person role was discussed and how the role would be appointed to.

Knowledge and understanding working group

8. The group met on 6 October 2025 to discuss MHCLG's current policy thinking and priorities for knowledge and understanding guidance. Key points included defining knowledge requirements by role and how the current eight technical areas in current guidance would be recreated in the new guidance. The group advised against overly prescriptive guidance, recommending a balance between clear requirements and local flexibility.
9. A major discussion focused on the LGPS Senior Officer role and specifically, the knowledge and skills needed to manage the fund and their accountability for training outcomes for the local pension committee and board.

Peer Support working group

10. Update provided at agenda item 8.

Annual report guidance

11. The CRC was informed that MHCLG is expected to introduce new reporting duties linked to Fit for the Future proposals which means the Board guidance for administering authorities to follow when preparing their statutory pension fund annual report would require updating. This is additional to any other new reporting duties added to the Investment Strategy Statement guidance, as reported to Committee in [February 2024](#).
12. MHCLG have yet to identify the specific new reporting duties that need to be reflected in the annual report guidance because of the consultation.

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However, given the major revision to annual reporting guidance last year we are keen to steer them away from major updates due to the further strain on fund resources.

Interactive scheme annual report

13. At the CRC, the group received a demo from Sarah Tingey, the Board's analyst, on a prototype of an interactive dashboard used to display the Scheme Annual Report data. The dashboard shown to CRC members was an aggregation of some of the scheme-level data collected and published by the Board in the Scheme Annual Report. The prototype dashboard included KPIs, governance and administration data as well as a summary from fund accounts. The dashboard allows the data to be filtered, including by fund size, pool, region, and individual pension funds, to obtain some high-level comparison and benchmarking data. The group acknowledged that the dashboard would be a useful tool for scheme-level data, shown in a more interactive method.
14. Work will continue work on the interactive dashboard with the aim to publish it on the website following the production of this year's Scheme Annual Report.

Committee Workplan

15. The Committee agreed the key workstreams expected for 2026 and therefore asks the Board to approve the workplan below:

Workstream	Details	Timescales
Audit issues	<p>To share views of administering authorities and scheme employers and input expertise to government to assist in shaping the proposal and implementation for decoupling the pension fund accounts from the main administering authority accounts</p> <p>To recommend agenda items for the Audit Roundtable meetings.</p>	Target completion date is March 2026 - to be reviewed once timetable confirmed with MHCLG

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Workstream	Details	Timescales
Knowledge and skills	To feed views and expertise into updated knowledge and skills statutory guidance and assist the Board when developing guidance for creating a Training Strategy	New guidance to be ready for April 2026 implementation date Guidance on the creation of a Training Strategy guidance, date of issue to be confirmed once governance guidance completed.
Good Governance	To input into the updates required to governance statutory guidance	New guidance to be ready for April 2026 implementation date
Peer Support	To scope out the feasibility of creating a LGPS peer support offer	November 2025 for a pilot proposal to be delivered to the Board and pilot to take place in 2026.
Administration Strategy Guidance	To be moved to the LGPC secretariat's workplan to develop guidance.	To be confirmed
Annual Report guidance	To consider any changes needed to the guidance, considering the outcome of the Fit for the Future consultation and feedback from funds	New guidance to be ready for April 2026 implementation date

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