

Scheme Advisory Board

HYBRID MEETING – 17TH JULY 2023

ITEM 12 – PAPER F

COMPLIANCE AND REPORTING COMMITTEE OF 19TH JUNE

General Approach to Guidance

1. The CRC was established as a joint committee with CIPFA to co-produce statutory guidance for LGPS administering authorities on a range of issues. A meeting had been held between the Chair and Board Secretary with CIPFA officials to clarify the purpose and nature of the joint committee. Staff changes at CIPFA meant that there was a lack of corporate knowledge about how the CRC was established.
2. The Secretariat would produce a high-level project plan to help manage the flow of work across the different workstreams and minimise pinch-points created by the multiple coinciding deadlines.

Funding Strategy Statement (FSS) Guidance

3. The working group is preparing to draft revised FSS guidance and will identify common themes and good practice using selected examples of funding strategy statements. The theme that the Board has discussed on the implications of fund surpluses could also feed into that guidance.

Audit Issues

4. A follow up to the 20 April summit of auditors, actuaries, LGPS practitioners and regulators has been arranged for 12 July 2023. At that meeting, the group would get an update from the working group set up to look at potential solutions.
5. DLUHC have yet to identify an appropriate legislative vehicle to effect the separation of pension fund from host authority accounts, and therefore audits. The BEIS bill previously identified is not now considered an option. The next King's Speech (due in the Autumn) would help clarify whether this is a priority. It was suggested that Cllr Phillips should continue to flag this in meetings with the Minister, Lee Rowley MP.

Annual Report Guidance

6. The group had reached a consensus on areas to be kept, changed or removed from the guidance. However, some changes would be conditional on DLUHC making the changes it has proposed in legislation. The timetable for this workstream is still being settled but if

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it was possible for guidance to be issued in the coming months, then it would only be advisory for 2022/23 annual reports (the deadline for which is 1 December 2023) and then properly take effect from 2023/24 onwards. It was agreed to circulate some comms with practitioners to make them aware of the activities that this working group was undertaking.

Knowledge and Skills Framework

7. The Committee received a high-level summary of the Knowledge and Skills Survey which closed on 19 April 2023. As the CIPFA guidance on knowledge and skills was revised in 2021, the group were focussing on practical ways to improve local practice and make training options better, rather than reviewing the text of the guidance itself. It was also agreed to undertake a further survey of knowledge and skills, targeted specifically at elected members.
8. The Secretariat would be looking at developing a session at the LGPS Governance Conference dedicated to Knowledge and Skills. This conference will be taking on January 18-19 2024 in York.

Review of Guidance on Administration, Communications and Guidance

9. Much of the work of this group is dependent on the Department's response to the Board's recommendations out of the Good Governance Review. The Ministerial response, as relayed by officials, was that limited statutory changes would be made next year, but the Board should consider how much can be delivered through the encouragement of best practice. DLUHC officials have also flagged a desire to review the 2008 LGPS Governance Compliance Statement guidance that was issued by DLUHC.

Recommendation – that SAB notes the progress made by the committee on each of the five workstreams set out above
