

Compliance and Reporting Committee (CRC)

DATE:	20 October 2025
VENUE:	Hybrid meeting – MS Teams & 18 Smith Square
TIME:	11.00am – 13.00pm

AGENDA

Item		Paper	Timings
1	Welcome, introductions, apologies and declaration of interests		11:00
2	Hybrid meeting protocol		11:05
3	Actions and Agreements from 23 June 2025 meeting	Paper A	11:10
4	Ministry of Housing Communities and Local Government (MHCLG) update	Verbal	11.15
5	Workplan update	Paper B	11:45
6	Peer Support Offer	Paper C	12:00
7	Annual Report Guidance	Paper D	12.10
8	2025 Scheme Annual Report	Verbal update	12.20
9	CIPFA Code of Practice on Local Authority Financial Reporting in the UK consultation	Verbal update and link to SAB Response	12.30
10	AOB and date of next meeting i. TPR Enforcement Strategy consultation		12.50

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Hybrid meeting of 20 October 2025

Item 3 – Paper A

Actions and agreements from 23 June 2025

Present

Jeffrey Dong
Rachel Brothwood
Nemashe Sivayogan
Richard McIndoe
Jack Bower

Catherine Pearce
Ian Colvin
John Neal
John Boyd
Will King

Bramman Rajkumar
Clair Alcock

Jeremy Hughes
Becky Clough
Sophia Chivandire
Ona Ehimuan
Sarah Tingey

Chair
Practitioner – Metropolitan Authorities
Practitioner – London Borough
Practitioner – Scotland
Institute of Chartered Accountants in
England and Wales (ICAEW)
Governance Consultant (Aon)
Governance Consultant (Hymans Robertson)
UNITE
Audit Scotland
Ministry for Housing, Communities and Local
Government (MHCLG)
MHCLG
Local Government Association (LGA) – Head
of Pensions and Board Secretary
LGA – Deputy Board Secretary
LGA – Board Support and Policy Officer
LGA – Pensions Support and Policy Officer
LGA – Pensions Secretary
LGA – Research and Data Analyst

Items 1 & 2 – Welcome, introductions, apologies, declaration of interests, and meeting protocol

1. Jeffrey Dong welcomed attendees to the meeting as the new Chair of Committee and advised them of the meeting protocol. Clair Alcock who joined the Secretariat team as the new Board Secretary and LGA Head of Pensions in May 2025 was welcomed to her first meeting.
2. Apologies had been received from Fiona Miller (Border to Coast), Kevin Gerard (Dyfed Pension Fund), George Georgiou (GMB), Nick Harvey (CIPFA), Peter Turner (London Borough of Bromley), Christina Thompson (LPFA), Karen Gibson (Dorset Pension Fund) and Nicola Todd (NILGOSC). Paul Mayers (National Audit Office) was absent without apology. There were no declarations of interest raised.

Item 3 – Matters arising from the meeting of 17 February 2025

3. The minutes of the meeting on 17 February 2025 were agreed as a fair and true record of the meeting.

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Item 4 – MHCLG update

4. Will King (WK) gave an update on key MHCLG workstreams related to this Committee. On accounts decoupling, it is hoped that the English Devolution Bill will be used as the legislative vehicle for the decoupling of pension fund accounts from main authority accounts, will be implemented in time to apply for the 2026/27 accounting year.
5. The Government's response to the Fit for the Future consultation was published on 29 May 2025. WK confirmed that the majority of the Government's proposals on governance would be going ahead. The workplan for the production of accompanying guidance to support the changes was being worked on by MHCLG.
6. The [Pensions Schemes Bill](#) was introduced to Parliament on 5 June 2025. There was some concern about the broad powers that have been proposed, for example it would allow for the merging of LGPS funds at the direction of the Secretary of State. WK was asked whether there would be further detail provided in a public statement on the type of circumstances when the powers are to be used. WK said that the powers were intended to be used as a matter of last resort and in very rare instances where governance standards were persistently low. He also acknowledged that a public statement of this would be reassuring to funds. Clair Alcock (CA) added that good project management would be important given the multiple workstreams that were being advanced at the same time.
7. It was discussed whether the Secretariat should issue a survey to ascertain the readiness of funds to meet the new governance proposals. The Secretariat confirmed that they would consider this as but were also mindful of the great number of issues requiring officer attention at this time.

Item 5 – Fit for the Future Response – Governance Proposals

8. Becky Clough (BC) introduced Paper B to the Committee. To support the production of guidance needed to implement the governance proposals, the Secretariat have started recruiting members for a new Administration working group. The Knowledge and Skills, Peer Support Officer and Good Governance working groups all met during the week commencing 9 June 2025 and received a presentation from WK on the Government's proposals. The 2008 Governance Statutory Guidance would need to be redrafted and work on this was already underway.
9. The Knowledge and Skills working group would be contributing to the knowledge and skills section of the guidance and developing the Training Strategy guidance, however the latter guidance document would be completed on a longer timeline. The Annual Report guidance working group may also need to be reconvened in order to agree the amendments needed to reflect the new governance proposals.

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10. The working groups would be contacted again over the summer with a view to arranging meetings in September and it was agreed that the Secretariat would provide a progress update to the Committee before the next meeting.
11. The Committee asked whether the governance guidance products would be staggered in their delivery and whether the decoupling of pension fund accounts would require some amendment to the LGPS regulations. WK could not confirm whether decoupling would be reflected in the LGPS regulations. On the topic of the guidance documents to be produced, he explained that the current thinking was that staggering of the guidance documents could become cumbersome.
12. Jeremy Hughes (JH) asked WK if he could confirm who the independent persons carrying out the independent governance review would be and whether he had made any estimate of how much it would cost for funds. WK said that thinking on this was still developing and the details could not be confirmed at this stage.
13. The Committee discussed the new Independent Advisor to pension committee role. It was observed that funds would need appropriate time to run a procurement or appointment process. The Committee also discussed the remuneration of the role and suggested that when guidance for local pensions boards is drafted, different potential models should be considered, and the Board should not seek to be overly prescriptive.

ACTION – that the Secretariat organises the next working group meetings and the audit roundtable and an update is provided to the Committee in September

Item 6 – Peer Support Offer

14. BC introduced Paper C to the Committee. The working group had met twice since the last meeting and both BC and Sophia Chivandire (SC) had taken part in a LGA peer support shadowing experience within a Council. It was noted that the response to the Fit for the Future consultation had made reference to the peer support offer linked to the independent governance review, but the Secretariat have identified other routes into peer support, if required.
15. Extensive work had been undertaken by the Secretariat to scope out the practicalities of the LGPS peer support offer. The Secretariat have also met with LGA colleagues to learn about the LGA's corporate peer challenge offer and will be using some of the documents and guidelines from that as a guide to developing the LGPS offer. The LGA programme was extensive and well organised with recommendations provided to the organisation at the end of the process. There is also a second review after

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12 months to check on the organisation's progress. From discussions with the sector to date, engagement and communication with funds about service-specific LGPS peer support offer would be helpful.

16. The Committee noted the scoping work undertaken so far and welcomed the proposal for a service specific function that would focus on adding value and customer focus. In undertaking that work, there must be consideration for the sector's capacity to engage with the offer as well as making sure there is fair access and use of the service.
17. Annex A of the paper gave a breakdown of the initial findings of the Board so far which were noted. The Committee agreed that the Secretariat proceed with developing a pilot programme and submit the costs and proposal for running a peer support offer to be approved as part of the 2026/27 Board budget. This would also be on the basis that scale of running a full program of peer support would be built over time. It is envisioned that while the Board budget would meet the pilot costs from its own resources, it is proposed that the service would be paid for by the funds receiving the support at the point of engagement once the programme is fully established.

ACTION – that the Secretariat continues to develop a Peer Support Offer programme, submits the costs to be approved as part of the 2026/27 SAB levy and plans for a pilot exercise.

Item 7 – Workplan update

18. The Committee received Paper D and noted the progress of each of the working groups. Nick Harvey (NH) had sent apologies for the meeting but after the Audit working group meeting on 10 June 2025, he had informed the Secretariat via email that he had discussed timelines for any CIPFA Accounting Code amendments that may be required as a result of decoupling with MHCLG colleagues. It was felt that the changes required will be relatively limited and that implementation of decoupling with effect from 2026/27 may be achievable.

Item 8 – AOB and date of next meeting

19. The Chair thanked Rachel Brothwood for her contributions to the Committee and chairing of the Funding Strategy Statement guidance working group as she stepped down. It was also agreed that the Secretariat write to Mark Wynn to thank him for his work as the previous Chair of the Committee.
20. The date of the next meeting was confirmed as 20 October 2025 at 11am.

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ITEM 5 PAPER B

Workplan update

Current position

1. This paper summarises the meetings and work undertaken by each of the CRC's workstreams since the last meeting in June 2025.
2. As a significant portion of the governance guidance drafting discussions was expected to take place during August and September, it was agreed that the Secretariat would provide a progress update to the Committee ahead of this meeting. To support this, the Secretariat has circulated the presentation provided from the Ministry of Housing, Communities and Local Government (MHCLG) which was shown to the Good Governance and Knowledge and Skills working groups at their last meetings. It should be noted that the presentation was circulated in confidence and does not reflect official government policy.
3. Annex A of this report provides an updated workplan for this Committee. It is expected that the production of the Pension administration strategy guidance would be led predominantly by Lorraine Bennett from the LGPC secretariat team through a workshop and the guidance brought back to this committee for sign off.
4. All working groups are expected to conclude by March 2026 apart from that on peer support. However, further work may be required beyond this point to advise on delivery of the guidance once it has been issued.

Audit

Meeting Chair	Nemashe Sivayogan (Merton LB)
Supported by	Melanie Stokes (Staffordshire); Sara Maxey (Essex); Nick Harvey (CIPFA); Melissa Kelly (Cornwall); Peter Worth (TAS Accounting); Joana Marfoh (Islington); Bola Tobun (Tower Hamlets); Jack Bower (The Institute of Chartered Accountants in England and Wales (ICAEW)); Ben Lavelle (MHCLG), Jelena Peet (Wiltshire), Sangeeta Surana (Kent) and Grant Patterson (Public Sector Audit Appoints/Grant Thornton)
Start date	August 2022
Target completion date	March 2026 (will be reviewed once decoupling timetable and exact outputs confirmed)

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Meetings since June 2025:

22 September 2025

Current position

The main aim of this working group is to feed into the policy work for the proposed changes to the decoupling of pension fund accounts.

The working group met in September and received a presentation from MHCLG on the process and current policy position of the proposal to decouple the pension fund accounts from the local authority accounts. Officials outlined some proposed changes which was not yet official government policy. Work had already been underway to review the necessary changes to the legislative framework currently in place, the accounting rules and audit processes. This was informed by how this is currently dealt with in Wales (where accounts have been decoupled for some years).

The working group provided feedback to officials on potential changes to timing and publication of audited accounts and the feasibility of the current timetable to implement change. Also discussed were any changes required to the publication rules, the process of producing the Annual Governance Statement, the need for a Value for Money Assessment and how audit scrutiny (such as public interest reports) would work when the accounts were decoupled. The sign-off process, inspection rights and key audit partner requirements were also discussed.

Although the majority of the time in the working group was spent discussing the decoupling proposals the proposal for each fund to have a LGPS Senior Office was also discussed in relation to the audit and accounting responsibilities of this role.

The date for the next Audit Roundtable meeting has been set for 7 November 2025.

Knowledge and Skills

Meeting Chair	John Jones (Local Pension Board Chair at Dyfed Pension Fund and Tower Hamlets Pension Fund)
Supported by	Karen Gibson (Dorset); Nick Harvey (CIPFA); Heidi Catherall (Cheshire); Vicky Jenks (Shropshire); Amanda Crawford (Essex); Will King (MHCLG); Ian Colvin (Hymans), Catherine Pearce (AON), Alison Murray (Barnett Waddington), Nick Gannon (The Pensions Regulator), Lisa Clarkson (LGA), Lorraine Bennett (LGA), Toni Durrant (LGA) and Ross Fraser (Scottish Fund representative)
Start Date	December 2022
Target Completion Date	March 2026

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Meetings since June 2025

6 October 2025

Current position

The group met on 6 October 2025, and a presentation was provided by MHCLG on current policy thinking and views sought from the group on the priority and content for guidance. Specifically, the definition and degree of knowledge by role and the key technical areas were covered. The working group felt that the guidance shouldn't be too prescriptive in certain areas as it may lead to challenges for individuals obtaining the required level of knowledge. A balance should be struck in the guidance with specific requirements whilst allowing for local flexibility. A key area of discussion was the role of the LGPS Senior Officer in both what knowledge and skills they needed to manage the fund and how they could be accountable for the training outcomes for the local pension committee and board.

Good Governance

Meeting Chair Jeff Dong (Swansea)

Supported by Kevin Gerard (Carmarthenshire); Nick Harvey (CIPFA); Will King (MHCLG); Nemashe Sivayogan (Merton LB); Jo Quarterman (Norfolk); Matt Mott (West Yorkshire), Amanda Crawford (Essex), Jo Toomey (Nottinghamshire), Kim Russell (Scottish Fund Representative), Lorraine Bennett (LGA) and Nick Gannon (The Pensions Regulator).

Start Date November 2022

Target completion date March 2026

Meetings since June 2025: 3 October 2025

Current position

The group met on 3 October 2025 and a presentation was provided by MHCLG on their current policy thinking and seeking views from the group on the priority and content for guidance.

It is expected that a further consultation on the changes to the LGPS regulations and associated guidance will take place later in the year. The group received current government thinking on the implementation of the Independent Governance Review and the group fed back how the procurement of the same should not be too prescriptive, potentially excluding capable practitioners. The role of the LGPS Senior Officer was discussed, and the group fed back that regulations are not to be so prescriptive that they preclude local arrangements which are proven and work as well as discussing the Independent Person.

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Peer support

Meeting Chair	Becky Clough (currently)
Supported by	Vicky Jenks, Peter Chadderton (Shropshire), Yvonne Thompson (Hounslow), Miriam Adams (Hackney), Sarah Hargraves (Lambeth), Karen Williams (Clwyd), Nick Gannon (The Pensions Regulator), Glen Cossey, Jo Quarterman (Norfolk), Alistair Wickens (Warwickshire), Vickie Hampshire (West Sussex), Mukhtar Master, Anna Lloyd (Oxfordshire), Martin Griffiths (Berkshire), Gillian Taberner (South Yorkshire Pension Authority), Lisa Garton (East Riding), Gemma Farley, Andrew Boutflower (Hampshire), Yunus Gajra (West Yorkshire), Jayne Brown, Junaird Laly (Lancashire), Mala Visram (London Pension Fund Authority) and Nick Orton (Tyne and Wear Pension Fund).
Start Date	November 2024
Target completion date	December 2025 (initially for project scoping)
Meetings since June 2025	15 September 2025

Current position

Update provided at Item 6, Paper C.

Recommendation

For the Committee to accept the actions as set out in this report and at Annex A.

Annex A - The below workplan outlines the work for each live (and proposed) working group for 2025/26.

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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
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	<p>New guidance to be ready for April 2026 implementation date</p> <p>Guidance on the creation of a Training Strategy guidance, date of issue to be confirmed once governance guidance completed.</p>
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 proposal to be delivered to the Board
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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ITEM 6 PAPER C

Peer Support Offer

Current position

1. This paper outlines the work of this project since the last Committee meeting in June 2025. The working group met on 12 June 2025. As this was close to the previous Committee meeting, a verbal update was given at that time. For completeness, this paper now provides a written overview of that meeting and an update when the group met again on 15 September 2025.

Working group update

2. At the June 2025 working group meeting, an overview of the [Fit for Future Response](#) specifically covering the governance sections was discussed.
3. The working group discussed the route, scope and framework for the offer, with the main themes being:
 - Capacity of the Local Government Pension Scheme (LGPS) sector to participate in peer support.
 - Consideration of role of the pension board and the need to avoid duplication of it
 - Publication of the results of the peer support
4. The discussion focused on the various routes in for a fund wanting to have peer support. It was recognised that funds may seek peer support either in preparation for an Independent Governance Review (IGR) or following one. However, it was also acknowledged that there could be other reasons for accessing peer support not linked to an IGR. The working group suggested a fund self-referring was the likely route into peer support with the LGPS Senior Officer, Pension Committee or Pension Board making a referral. A rolling programme option was discussed but could only be brought in at a later stage when the program was more established and had capacity.
5. To provide a consistent basis for peer support activity, the Secretariat are developing a Framework of areas to be considered. Part of each peer support process will be choosing which areas will be focussed on in more depth. At the September 2025 meeting, the working group discussed different framework options and how the existing Local Government Association's (LGA's) five themes could apply to the LGPS:
 - Local priorities and outcomes
 - Organisational and place leadership
 - Governance and culture
 - Financial planning and management
 - Capacity for improvement

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6. The working group agreed to these existing LGA themes, recognising their proven success in supporting sector-led improvement within local authorities, were largely applicable to the LGPS. However, it was suggested that these themes should be adapted to reflect any specific context of the LGPS missing within these topics, such as a specific LGPS stakeholders and partnerships. A suggestion of these adapted themes is below:
 - Fund priorities and outcomes
 - Fund leadership, stakeholders and partnerships
 - Governance and culture
 - Fund performance and management
 - Capacity for improvement
7. The working group supported further communication of the peer support offer, saying that this could help understanding of peer support and how it is different to the IGR. The creation of communication material for funds (such as slides and content for newsletters) was suggested for use by fund officers in Board and Committee meetings. Attendees also supported continued use of the LGPS Bulletin and Board website to communicate the peer support offer.
8. The working group supported the idea of a pilot event in early 2026 and funds within the working group interested in this were invited to contact the Secretariat. The exact timings of a pilot event would need to be considered around the other demands on resources within funds during early 2026 which may limit officer, board and committee time. The Secretariat will consider known pressure-points for funds in scoping out the piloting plan.

Peer support pilot event

9. At the Board meeting in July 2025, it was agreed to bid for budget to support a peer support pilot from the Board's levy. An amount for this has been included in the outline budget agreed by the Board for 2026/27 and the final budget will be submitted for Ministerial approval after the November Board meeting. As identified in this report, the timings of a peer support pilot event will need to consider when funds have suitable capacity.
10. The Secretariat met with LGA Corporate Peer Challenge (CPC) colleagues in September 2025 to discuss the support which can be provided for a LGPS peer support pilot. LGA colleagues are currently inputting their expertise into the pilot proposal which includes guidance on approach and methodology.

Polling questions and survey response overview

11. The Board runs a webinar series called 'LGPS Live' and during the July event, which was focussed on governance, polling questions were put to the audience on peer support. Results from this poll provided insight into how the Secretariat needed to communicate more widely to funds. Results from the polls are shown in **Annex A**.

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12. The Secretariat also launched a survey looking at diversity of representation and awareness of the Peer Support offer in August 2025. This survey aimed to gain feedback on how the peer support offer is currently understood, where it could add value and what involvement will look like in practice. Results of this survey can be found in **Annex B**.

Communications

13. The Secretariat are currently in the process of updating the Board's website and hoped to have a dedicated projects page in the future to support communication and engagement of all projects, including peer support.
14. The Board Chair, Councillor Roger Phillips is holding an in-person Annual Assembly meeting on 22 October 2025 and invited Pension Committee and Board Chairs. The event is a networking opportunity and attendees will be briefed on the Board's workplan, including the progress of a LGPS peer support offer. The agenda covers an hour's slot promoting the LGPS peer support offer we are developing and how peer support has been successful in the wider LGA. Peer support will also feature as an agenda item at the [Governance Conference](#) in January 2026.
15. The Secretariat would welcome feedback from the Committee on any additional areas to consider in terms of communicating the aims of this project.

Project overview

16. The below initial milestones were agreed in February 2025 and are likely to evolve further as the deliverables are identified. The Secretariat regularly review these milestones as new information emerges and following feedback has added communicative requirements into the planning activities for October 2025.
- 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 **(completed)**
 - 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, communication requirements and other constraints **(ongoing)**
 - November 2025 – project proposal presented at the Board meeting **(ambition)**

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- January – March 2026 pilot launched (**ambition**)
- April 2026 – project roll out (**ambition**)

Recommendation

That the Committee notes the progress of this workstream and notes the timeline of actions as set out above and provides views/comments on initial findings in the Annexes.

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Annex A – LGPS-Live Webinar 23rd July 2025 Poll Results

How familiar are you with the concept of peer support? (29 responses)

Very familiar - I actively use or contribute to existing peer networks **17.2%**

Heard of it, but not sure what it involves **62.1%**

Not familiar at all, this is the first I've heard about peer support **20.7%**

What do you see is the main benefit of peer support in the LGPS? (35 responses)

Sharing knowledge and best practice **42.9%**

Building confidence in complex or changing areas **5.7%**

Reducing isolation in roles **5.7%**

Learning from others' experience **14.3%**

Strengthening consistency and compliance across the scheme **31.4%**

I'm not sure what peer support is **0%**

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Annex B - LGPS Board survey results: Understanding diversity of representation and Peer Support insight

Findings

The survey was distributed to pension fund managers and received responses from 38 funds, a response rate of 44 per cent.

When looking at familiarity with peer support networks, most of the respondents (80 per cent) reported that they are already aware of what peer support is, with over a third being very familiar and already actively involved in peer support networks. Only one respondent said that they hadn't heard of peer support networks at all.

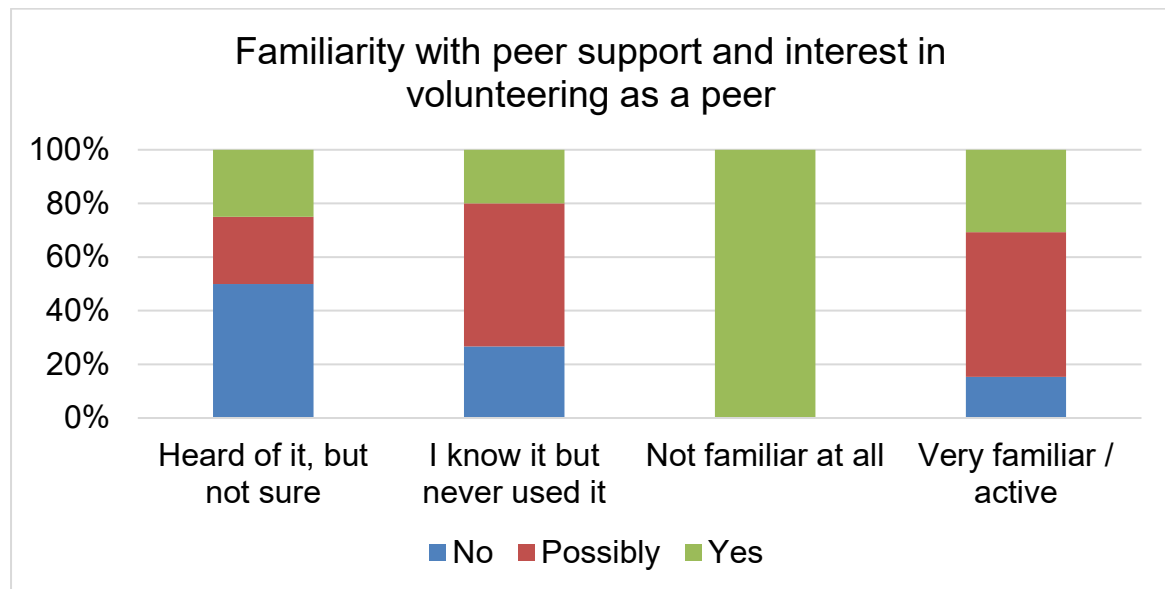
Respondents were asked what they believe to be the main benefit of peer support in the LGPS. Responses can be seen in the table below. Most respondents (66 per cent) said they believe the main benefit to be sharing knowledge and best practice. Only one respondent said "building confidence in complex or changing areas" and one answered that they were not sure of what peer support is.

Peer Support Benefit	Count	Percent
Sharing knowledge and best practice	25	66%
Strengthening consistency and compliance across the scheme	8	21%
Learning from others' experience	3	8%
Building confidence in complex or changing areas	1	3%
I'm not sure what peer support is	1	3%

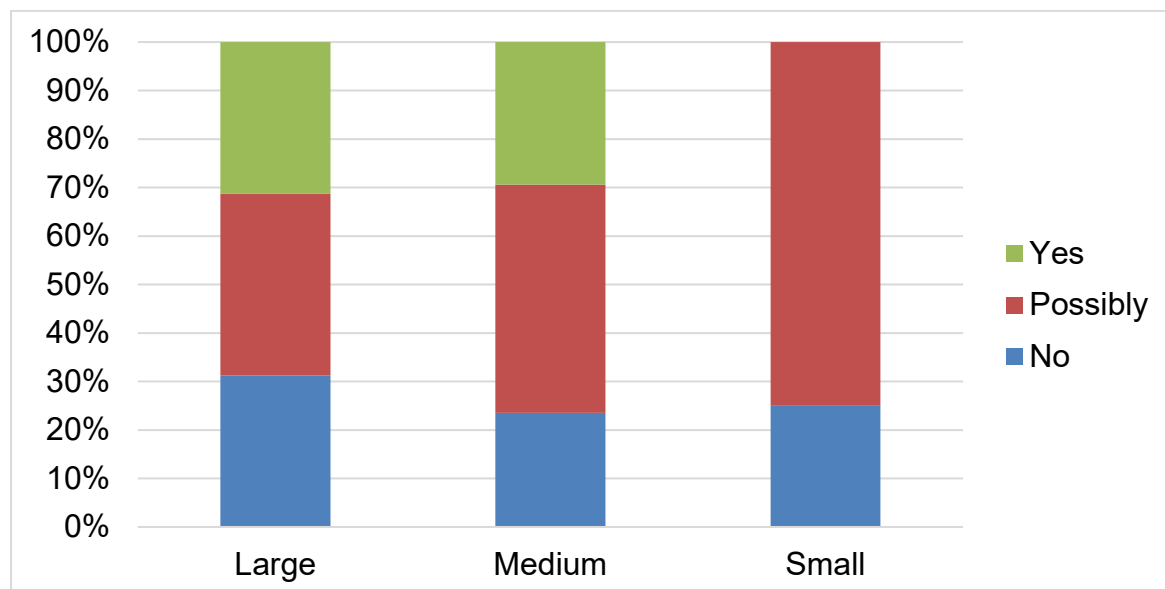
There was a lot of interest from respondents in finding out more about volunteering as a peer. Just over a quarter (26 per cent) said "yes" to finding out more about volunteering as a peer in their role, almost half (47 per cent) said "possibly", and just over a quarter (26 per cent) said they were not interested. In addition to this, there was also lots of interest in funds volunteering as part of a pilot scheme – 80 per cent of respondents said yes or possibly, with 20 per cent saying that their fund would not be interested.

There is a pattern between familiarity with peer support networks and interest in finding out more about volunteering as a peer. Among those who are very familiar and actively involved in peer networks, the majority (11 out of 13) expressed interest, either answering "yes" or "possibly." Those who know what peer support is but have never used it lean heavily toward "possibly" (8 out of 15), indicating openness but also uncertainty. Respondents who have only heard of peer support but are unsure what it involves were more likely to say "no" (4 out of 8), and only two said "yes".

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31 per cent of the large funds and 29 per cent of the medium funds that responded said that they would be interested in volunteering as a peer, while none of the small funds that responded said “yes”. This suggests that resource constraints or capacity concerns may influence smaller funds’ decisions.



* Small fund – less than £2.5bn assets

Medium fund - between £2.5bn--£5bn assets

Large fund - above £5bn assets

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Conclusions

To be caveated with a small sample and a short survey, the results show strong awareness of peer support across LGPS funds, with most respondents familiar with the concept and many already engaged. Sharing knowledge and best practice is seen as the main benefit, reinforcing the value of a collaborative approach and well suited to the whole scheme aim of improving governance.

While interest in volunteering and pilot participation is high, uncertainty remains about what involvement entails. Familiarity strongly influences willingness to volunteer, and medium and large-sized funds appear the most engaged overall, Small funds lean towards “possibly,” suggesting resource concerns and wanting to understand more about what the role would entail.

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ITEM 7 PAPER D

Annual Report Guidance

Background

1. The Board updated guidance for administering authorities to follow when preparing their statutory pension fund annual report in March 2024. This guidance was the first publication which was reviewed and jointly approved by the Board's Compliance and Reporting Committee (CRC), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing, Communities and Local Government (MHCLG). It replaced the 2019 guidance produced by the CIPFA Pensions Panel, which was disbanded in 2021.
2. The new guidance applied to 2023/24 annual reports, which were due for publication by 1 December 2024, and later years. Where there were changes, funds were asked to use their best endeavours to comply fully with the requirements for 2023/24 but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost. When the guidance was issued, the Board stated that it would be kept under regular review and kept up to date with any changes required from year to year.
3. The Secretariat anticipated that further review was likely be needed to align the new annual report guidance with any additional reporting duties added to the Investment Strategy Statement guidance, as reported to Committee in [February 2024](#). MHCLG are making such changes to give effect to the Fit for the Future proposals, the response to which was published in May of this year.

Current position

4. MHCLG have yet to identify the specific new reporting duties that need to be reflected in the annual report guidance as a result of the consultation. However, it is expected that updates will be made to the current guidance to require reporting on:
 - The undertaking and any results of an Independent Governance Review (which itself is still in development)
 - The fund structure and governance strategy, including identification of the LGPS Senior Officer and Independent Person in the fund structure (both new roles yet to be specified), and any changes in governance membership throughout the year
 - The extent to which the Training Strategy has been delivered during the reporting year
 - Local investment (and removing the current reference to 'levelling up')
 - Opt out data (once more is known about the outcome of the Access and Fairness consultation)
5. We also anticipate a change to LGPS regulations to make clear that relevant

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policies may be hyperlinked in the annual report and do not need to be included in their entirety. There may also be additional or different requirements on reporting once the detailed outcome of the decoupling of pension fund accounts from the local authority accounts is better understood.

6. Given the considerable effort last year that was invested in revising the guidance and the work undertaken by funds to align their processes, the Board is keen to avoid major updates that could place further strain on resources. Nonetheless, this opportunity may be used to make minor adjustments that improve clarity or support compliance, informed by feedback received from funds since the guidance was first issued.
7. Diversity and representation are recognised as important factors in ensuring governing bodies reflect the communities they serve and benefit from a wide range of skills and experience. The Board has been considering whether the annual report guidance needed to be updated to contain information about the characteristics of those running the scheme.
8. To inform that consideration a short survey was issued on 18th August 2025 to administering authorities to understand what information was held on the diversity of representation in the LGPS. That survey sought data on:
 - The diversity of representation within Pension Committees and Boards and
 - Views on Peer Support within the Scheme (results of this part of the survey are covered in Agenda Item 6, Paper C)
9. The survey aligns with good practice expectations set out by The Pensions Regulator. The responses of this [survey](#) have been published on our website and inform the Board's ongoing work to promote best practice and develop guidance for funds. While specific data may best be reported in aggregate at Scheme level, the Secretariat are minded recommending to the Board that the administering authorities should report in their annual report on how the Equality, Diversity and Inclusion guidance from the TPR has been considered.
10. The Secretariat is not intending to reconvene the previous working group to look at these specific amendments. However, it will share a draft of the updated guidance with the previous members of the working group for comment.
11. It is expected that updated draft annual report guidance will be brought to the February 2026 Committee for clearance. However, this is dependent on MHCLG bringing forward its regulation and guidance changes within the timeline currently envisaged.

Recommendation

That the Committee notes that further changes to the Board's Annual Report guidance are planned and the process for agreeing them.
