

Compliance and Reporting Committee (CRC)

Meeting of 23 June 2025

Item 3 – Paper A

Actions and agreements from 17 February 2025

Present

Joanne Donnelly	Meeting Chair in Mark Wynn's absence
Jeffrey Dong	Welsh Treasurers
Karen Gibson	Practitioner – County Councils
Nicola Todd	Practitioner – Northern Ireland
Rachel Brothwood	Practitioner – Metropolitan Authorities
Nemashe Sivayogan	Practitioner – London Borough
Christina Thompson	Practitioner – London Pensions Fund Authority (LPFA)
Richard McIndoe	Practitioner – Scotland
Peter Worth	Advisor - Worth TAS Accounting
Nick Harvey	Chartered Institute of Public Finance and Accountancy (CIPFA)
Jack Bower	Institute of Chartered Accountants in England and Wales (ICAEW)
Catherine Pearce	Governance Consultant (Aon)
Ian Colvin	Governance Consultant (Hymans Robertson)
John Neal	UNITE
Will King	Ministry for Housing, Communities and Local Government (MHCLG)
Ben Lavelle	MHCLG
Jeremy Hughes	Local Government Association (LGA) – Deputy Board Secretary
Becky Clough	LGA – Board Support and Policy Officer
Sophia Chivandire	LGA – Pensions Support and Policy Officer
Ona Ehimuan	LGA – Pensions Secretary
Sarah Tingey	LGA – Research and Data Analyst

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

1. The Chair welcomed attendees to the meeting and advised them of the meeting protocol. Sophia Chivandire who joined the Secretariat team in December 2024 was welcomed to her first meeting.
2. Apologies were received from Mark Wynn (Chair) and the Committee agreed that Jo Donnelly, Board Secretary would chair the meeting in his absence. Apologies had been received from Fiona Miller (Border to Coast), John Neal (Unite), Kevin Gerard (Dyfed Pension Fund), John

Compliance and Reporting Committee (CRC)

Jones (Local Pensions Board) and John Boyd (Audit Scotland). Paul Mayers (National Audit Office) and Peter Turner (London Borough of Bromley) were absent without apology. There were no declarations of interest raised.

Item 3 – Matters arising from the meeting of 21 October 2024

3. The minutes of the meeting on 21 October 2024 were agreed as a fair and true record of the meeting.

Item 4 – MHCLG update

4. Will King (WK) gave an update on key MHCLG workstreams. The Fit for the Future consultation closed on 16 January 2025 and 217 responses had been received. MHCLG were working through the responses, briefing Ministers and would issue their response in due course. The proposals on governance in the consultation are based on the SAB's Good Governance recommendations and the CRC's Good Governance and Administration working group have been making progress on reviewing existing guidance and sharing views on the proposals. It is expected that the changes in governance arrangements could largely be made through guidance and secondary legislation with a response to the consultation expected in the first half of the year. Resulting legislation from the consultation is expected in the second half of the year.
5. MHCLG had held two technical workshops on local audit arrangements and an update on the outcome from the local audit consultation which closed on 29 January 2025 was expected in the second half of the year. There is also an upcoming consultation on covering areas of member benefits which will be published soon.
6. Jeremy Hughes (JH) asked Ben Lavelle (BL) whether a bill had been identified for the separation of pension fund accounts from main authority accounts. A bill had not been identified yet but that there are options, and it was hoped that the proposal for separation would be implemented.

Item 5 – Good Governance and Administration Update

7. Becky Clough (BC) introduced Paper B to the Committee. The working group is expecting to input into revising the 2008 governance statutory guidance in the coming months. Later in the year, the group would assist in the production of statutory guidance on administration strategy statements.
8. There is still some uncertainty on what areas will be contained in guidance: such as representation of scheme members and the description of the role of the LGPS senior officer, with the former not in the government's consultation document. It was confirmed by MHCLG that the details of the role of the senior officer would be contained in

Compliance and Reporting Committee (CRC)

guidance.

9. Peter Worth (PW) stated that the LGPS Senior Officer role should be a statutory role if MHCLG wanted it to be adhered to by all funds. Nemashe Sivayogan (NS) added that MHCLG should ensure that guidance specifies what the expectations are for the senior officer. JH added that given the local government reorganisation that is currently happening, it would be beneficial for the timelines for these workstreams to be considered concurrently. WK confirmed that although this couldn't be guaranteed there is an effort to align as much as possible. NS asked if the secretariat had received any feedback on the budget setting letter that was issued by the Board. No feedback had yet been received, but the committee believed that the letter was a helpful and timely reminder for administering authorities.
10. With regards to the new administration statutory guidance, there was discussion of how the data collected by the Secretariat on Key Performance Indicators should be presented and contextualized. The secretariat were still working on reporting tools and would aim to bring a working version to the next Committee meeting. The Pensions Managers Conference in Torquay was thought to be an ideal event to gain feedback on the new guidance. The Secretariat said they would also seek engagement with the regional and national pension officer groups.
11. BC suggested that the Good Governance and Administration working group be split which the lead officer Jeff Dong (JD) agreed with given the amount of work needed to produce the required documents.
12. The Committee noted the update provided.

ACTION – that the Good Governance and Administration working group be split into separate groups

Item 6 – Peer Support Offer

13. BC introduced Paper C to the Committee. The work to develop the peer support offer had begun and Sophia Chivandire (SC) had been recruited to the secretariat team to lead the project. It was confirmed that the peer support offer and the proposed independent governance review in the Fit for the Future consultation are two separate strands but will be linked. It is envisioned that the peer support offer would be similar to the Local Government Association's (LGA) current offering for member councils as a well recognised developed service. SC and BC are liaising with LGA colleagues to understand the main aspects of how the LGA's peer support service works and how they can be applied to the LGPS. Several fund officers have already put themselves forward as volunteers for the working group and the first meeting will be convened in due course.

Compliance and Reporting Committee (CRC)

14. PW suggested that a standard methodology would be useful so that there is consistency despite the varying operational processes at different funds. NS added that the secretariat should carefully consider the right time to ask for volunteers given that it is a triennial valuation year. This was noted by the secretariat.
15. RB asked how the peer support offer would align with The Pension Regulator's (TPR) work and where the report resulting from the peer support would be shared. It was added that it should be designed in a way to add value. BC responded saying that these factors are being actively considered, including the link between the proposed independent governance review and the peer support offer. It is expected that TPR will be represented on the working group where this can be worked through in more detail.
16. Christina Thompson (CT) had been involved in a council peer review with the LGA and suggested that pensions could be built into scope of the teams involved in the existing peer challenge but noted that the resources needed by the fund to prepare for a corporate peer challenge were significant.
17. After the discussion, the Committee approved the Terms of Reference for the Peer Support Offer working group which were contained at Annex A of the paper.

ACTION – that the Secretariat carries out the actions contained in Paper C.

Item 7 – Audit update

18. JH introduced Paper D to the Committee. It was hoped that the proposals for audit separation would be taken forward by the government. If so, it is expected that there will be an influx of work assigned to the audit working group and the Committee was asked for their view on whether a representative from one of the audit firms to join the working group would be acceptable. The Committee ultimately agreed that a representative would be useful to join the audit working group but did raise some concerns that having only one representative could lead to requests for wider representation. It was concluded to try to manage that risk and that the representative of Grant Thornton who had asked to be included was added to the group. This was on condition that they are representing the audit sector generally and attending in a professional capacity, as opposed to representing their organisation.
19. Richard McIndoe (RMc) confirmed that Scottish funds have had their accounts separated for many years and confirmed that the accounts are signed off three to four months earlier than English funds with the same auditor. JD agreed that this was also the case in Wales, and that it was helpful to have the pension fund audit prioritised in this way.

Compliance and Reporting Committee (CRC)

20. The Audit Roundtable last met on the 9th December 2024 and the minutes from the meeting would be circulated to the Committee. The roundtable group would be meeting again in the Summer, but a date had not yet been confirmed. Asides from audit separation, the Virgin Media 37 case was also discussed by the group. The Committee were informed that the Board would be writing to Pensions Minister Torsten Bell to request that certainly is brought to the sector on the matter.

21. The Committee noted the contents in Paper D.

Item 8 – Knowledge and Skills update

22. BC introduced Paper E to the Committee. There is currently no central document on the knowledge and skills requirements for pension committee and pension board members. The aim of the working group chaired by John Jones is to develop guidance to assist funds with creating their own training strategies, that will include reference to “soft skills” as well. The guidance would cover not just what knowledge and skills were required, but also guidance on developing and delivering a training policy.

23. Paragraph 9 of the paper laid out the high-level areas which could be included in training strategy guidance and the Committee were invited to comment. BC added the timing of this guidance is important to consider alongside the impact of the outcomes of the Fit for the Future consultation which may affect the training needs and requirements.

24. RB asked about the role of independent advisors as proposed in the Fit for the Future consultation and whether they would also need to be in scope. This would still need to be considered. There also needed to be consideration of the average term lengths of committee and board members and the time that it would take to gain the requisite knowledge and skills and the other duties on committee members. Given the link to Fit for the Future proposals, it was agreed to invite someone from MHCLG to join the working group.

25. Nick Harvey (NH) supported what had been said, adding that CIPFA are not opposed to moving away from the current knowledge and skills guidance given that at the time it was written, the landscape of the LGPS was very different to what it is likely to be going forward. PW also raised a need to link this work to the work on the peer support offer.

26. The Committee noted the contents of the report.

Item 9 – Scheme Annual Report update

27. Sarah Tingey (ST) gave the Committee an update on the initial findings from gathering data for the Scheme Annual Report. At the meeting date, data from 83 fund annual reports was available. Following on from the publication of the Annual Report Guidance, the initial rate of compliance with the guidance

Compliance and Reporting Committee (CRC)

was also shared with the Committee. The data was still being worked on and a quality assurance check was underway. The Committee welcomed the data on compliance and asked if funds could receive feedback on how they were assessed as doing. The secretariat agreed to consider this and were happy to engage with any fund that wanted to ask about their results specifically.

28. It was hoped that the Scheme Annual Report 2024 could be published towards the end of March and it was agreed that the slides presented by ST will be updated once the analysis was completed and circulated to the Committee after the quality assurance process was completed.

ACTION – that the Secretariat circulate the slides presented on the initial findings of the Scheme Annual Report 2024 after the quality assurance process.

Item 10 – Workplan update

29. BC introduced Paper F to the Committee which gave an overview of the four active workstreams. The Peer Support Offer working group currently had seven fund officers from four funds and the first meeting would be arranged in due course. NS asked about adding a possible end date for the Audit working group, however it was not envisioned that the work of the group could set a date of conclusion until more information on accounts decoupling was known.

Item 10 – AOB and date of next meeting

30. There were three items raised. JD informed the Committee that Mark Wynn would be formally stepping down as the Chair of the Committee and proposed that Jeff Dong (JDo) be nominated as the new chair. The Committee agreed that the nomination be sent to CIPFA and the Board for approval in March.

ACTION – that Jeff Dong is nominated as the Chair of the CRC, pending approval from the Board and CIPFA.

31. The Committee noted that a section 114 notice had been issued at Barnet Council on 23 January 2025.
32. JH raised an item thanking JD for her leadership during her time as LGA Head of Pensions and the LGPS Scheme Advisory Board Secretary as she was stepping down from this role to become CEO of London Pension Fund Authority.
33. The date of the next meeting was confirmed as 23 June 2025 at 11am.
