

# Compliance and Reporting Committee (CRC)

## HYBRID MEETING – 23 June 2025

### ITEM 6 PAPER C

#### Peer Support Offer

##### Background

1. The proposal for a LGPS specific peer support offer – derived from the proposals in [SAB's original Good Governance Report](#) - was agreed at the [24 June 2024](#) CRC meeting. Initial objectives were also agreed, which were:
  - To allow LGPS administering authorities (AA's) to gain external assurance support for its governance activities
  - To share, promote and increase good governance practices
  - To facilitate access to an expert network of LGPS peer members
2. In February 2025, the CRC agreed the following initial milestones for this project:
  - 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 **(majority completed, September to be organised)**
  - June 2025 – initial findings presented to CRC **(this paper)**
  - July 2025 – project update to Board **(to be drafted following this meeting)**
  - October 2025 – draft framework and models of a LGPS peer support offer, including consideration of budget and other constraints **(ongoing)**
  - November 2025 – project proposal delivered to the Board **(ambition)**

##### Current position

3. This paper outlines the work of the Secretariat since the February 2025 meeting and includes at Annex A our initial findings on a peer support process for the LGPS.
4. The Secretariat has reviewed the Government's [Fit for the future consultation](#) issued on 29 May 2025 which covered the proposal for peer support for the LGPS, specifically stating in the context of the proposed Independent Governance Review (IGR) that:

*233. After the reviews are completed and submitted to MHCLG, the government envisages that for most AAs, the review will have identified recommendations to be taken forward locally. For some, the LGA's peer support offer, which is*

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*currently being developed, may be appropriate. If government has concerns about certain cases, they may bring them to the attention of TPR, who will consider the information in line with their usual approach. For the most serious cases, intervention may come through direction by the Secretary of State under the Public Service Pensions Act 2013, including the power clarified in the Pensions Bill to allow for compulsory merger.*

Peer Support is also covered at point 148 in the consultation response:

*148. Failure to comply with legal requirements by the deadline and subsequently on an ongoing basis, could lead to AAs being directed by the Secretary of State to undertake a governance review with immediate effect. In cases where the governance review process and any peer support are not successful at delivering change, it would be open to the Secretary of State to make use of powers under the Public Service Pensions Act 2013 and the Investment Regulations 2016 to issue a direction or to wind up a fund*

5. The Secretariat welcomes that the IGR and peer support have been noted as separate processes (with peer support noted as an option to assist funds with IGR recommendations) and identified peer support as a potential outcome of an IGR. In line with the recommendations in this paper IGR is one route into peer support, but crucially not the only route.
6. Since the last CRC meeting the Peer Support Working Group has met twice: on 7 April 2025 and 12 June 2025. At the April meeting the Secretariat provided background and scene setting of the proposals and the Terms of Reference were agreed. An overview was provided of the Local Government Association (LGA) Corporate Peer Challenge (CPC) which is delivered to Councils. This presentation explained how that extensive and well-established process works for member Councils within the LGA, the benefits of peer support, the CPC process and what happens before and after a CPC has been completed.
7. It was proposed that the Secretariat would continue to use as its starting point the principles of the LGA's valued improvement and assurance tool offer to councils, including the established resources, practices and expertise.
8. At the April working group, feedback was given from the group on what a LGPS peer support offer could look like for the LGPS. The main themes of discussions were questions and comments, and an overview is provided below:
  - If the peer support would be restricted to certain areas such as administration and governance
  - If there would be a dedicated LGA support officer for the administration of the support service
  - Whether peer support needed to be in-person, given fund officers are home based now or don't have central officers to attend
  - A clear framework should be established for the support offer
  - Importance on having peers from more than one fund for each peer support event, to reflect the different ways of doing things across the scheme

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- How peer support fits with the Independent Governance Review
  - How the costs of the peer support were to be met and the role of consultants in the process
  - How it overlaps with local pension board responsibilities and workplans
  - How it overlaps with the Pensions Regulators' (TPR) General Code of practice
  - That peer support is not a benchmarking process/league table, instead it should build on existing networks of sharing best practice and collaboration.
9. Due to the timings of the publication of this paper, a verbal update on the discussion at the working group meeting on the 12 June 2025 will be provided to the CRC.
10. To further develop understanding of the LGA Corporate process and to gauge the work involved in setting up a peer support service, two members of the Secretariat Team recently took part in a four-day Corporate Peer Challenge Event with two separate Councils. Reflections of this process from the team members involved are below:
- The LGA clearly has a well-established, robust thought-out process
  - Peer reviews are based on open, honest conversations conducted via a team of experienced professionals in a 'critical friend' manner
  - The peer support observed occurred by invitation by the organisation
  - Rules and boundaries for conversations are clear and well set out – all comments received are non-attributable
  - It is a process that initially looks at the overall corporate "health" of the organisation and incorporates views from all stakeholders
  - Background information and pre-reading is key 'scene setting' but also important is triangulation with common themes arising from the sessions/focus groups/meetings
  - Ownership and buy-in of the peer support process by the organisation receiving the support is crucial
  - Key foundations for discussions are whether the key corporate aims are being met
  - Organisational relationships (front line staff, management, key partners and management) are all included in the process
  - The experienced and background of the peers is tailored for each event and needs of the receiving organisation
11. To further bring this to life for the CRC, an example timetable and desensitised guidance document of a LGA Corporate Peer Challenge has been shared

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separately (and confidentially) with the CRC for information. However, the final reports are made publicly available on the [LGA's website](#).

## **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 Annex A.

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## Annex A – Initial findings for Peer Support Offer for the LGPS

### Purpose

12. It seems appropriate to learn from (in a proportionate and manageable way) the principles and format of the [LGA](#)'s valued sector-led improvement and assurance offer to LGA member Councils, but tailored to a LGPS context. Recognising however the long-term journey to establish such a process as industry recognisable at the LGA's offering.
13. Peer support offer should help reflect with respected peers on current processes, practices and performance through the lens of good governance and by recognising and celebrating excellence.
14. A standard framework of principles to shape discussions assists in the delivery of a peer support offer, although to meet specific needs should be able adapt and can involve other areas agreed with the organisation receiving the support.
15. Peer support can provide targeted support to help an organisation undertaking their statutory (or non-statutory) duties or plan for change/improvement via a cohort of experienced, skilled and qualified individuals from other AAs.
16. It consists of matching an organisation who wish to learn from others and receive the support provided by peers. The type of support is generally led and determined by the needs of the recipient.

### Access and route into peer support

17. It is anticipated there could be various routes for AAs to access peer support:
  - Administering Authorities' self-referring to access peer support
  - To assist with recommendation(s) following an Independent Governance Review
  - Referral made by The Pension Regulator.
  - Rolling programme
18. As demonstrated in the list above, there may be several reasons and routes why an AA may want access peer support. The Secretariat believes it is not helpful to restrict the reasons or circumstances leading into peer support but acknowledges that the Government's proposed IGR will be one determined route, but not the only route. Below are some examples of when peer support could be a support the sector to bring to life the offering. Below are illustrative examples only.

### Example 1

19. A Pension Committee has new membership and with a mixture of new and experienced Pension Committee members. As part of this period of change, the Pension Committee Chair wishes to explore and identify how the current

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governance structure and procedures compare with similar and varying sized funds. With established and new roles in place, the LGPS Senior Officer believes the fund could benefit from the extensive LGPS network for the newly formed Pension Committee to learn from. This could be to reflect on the funds achievements to date and to establish the ambitions and future needs of the fund, whilst identifying the challenges and emerging issues.

## Example 2

20. A new Local Pension Board chair has been appointed, and they want to gauge how the Local Pensions Board has contributed to supporting the Pension Committee in the past and be proactive as to whether it could do so more effectively in the future.

## Scope

21. The scope of the peer support is to focus on the pertinent issues affecting that organisation, to reflect on current processes and practice but also to champion change and improvement through good governance and by recognising and celebrating excellence. The ultimate aim and role of peer support is to cover all aspects of LGPS management activity which an AA needs support with and including administration, governance and investments functions. Due to the scale and depth of LGPS fund management, a framework needs to be developed and possibly incrementally to deliver the needs of the entire LGPS function.

## Framework

22. It is thought that the specific scope and themes explored in peer support will largely be determined by the specific route into the support (i.e the recommendations made following the Independent Governance Review or an AA self-referring). However, a process framework would need to be developed to provide a starting point for a particular peer support event. This is a key part of the peer support process and which needs to be explored by the Peer Support Working Group. As an example, the LGA's successful peer support program is based around five 'themes which are:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

23. Views are encouraged on the use of themes suitable for the LGPS, how these could be applied to the LGPS or whether new or adapted themes could be used. As an example, an LGPS framework could focus on specific themes such as: People, Management, Processes, Partnership, Decisions and Performance. These are some high-level examples only, there is an option to more closely relate these themes to modules in the TPR's General Code or Independent Governance Review criteria (once more is known on that).

24. The Secretariat are continuing to scope out the work involved to create a peer

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review service and identified the following next steps for 'fact finding' but believe this list will continue to evolve:

- Understand how peer support works for service-specific functions (such as [Planning Advisory Service](#))
- Identifying the potential frequency/demand of peer support offering and funding options\*
- Establishing framework options and themes
- Identify administrative support requirements
- Recruitment options and scope for establishing a peer network
- Facilitation support options
- Training requirements of peers

25. One area the Secretariat will focus on, will be to try and calculate initial demand for a peer support service in the first 12 initial months from April 2026 and how this compares with the project proposal to be delivered to the Board later in the year.

\*The Secretariat have been given initial indications of costs for a peer support event, and it is likely that, dependent on frequency and sector demand of the support, extra funding through a grant or levy to do the initial work and piloting will be needed.

25. The Secretariat are currently working to the project milestones as set out in paragraph 2, however, as number of the project deliverables are known and understood, this timetable will be revisited.

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