Compliance and Reporting Committee (CRC) Meeting

2 November 2026, 11.00am to 1.00pm

Room 6.5, 18 Smith Square, London and Microsoft Teams

AGENDA

Item		Paper	Timings
1	Welcome, apologies, introductions and declarations of interest	**Verbal**	11.00
2	Actions and agreements from meeting on 29 June 2026	**Paper A**	11.05
3	Ministry of Housing, Communities and Local Government (MHCLG) update	**Verbal**	11.10
4	Fit for the Future update	**Paper B**	11.45
5	Audit working group update	**Paper C**	12.00
6	Peer support project	**Paper D**	12.10
7	Local pension board support and guidance	**Verbal**	12.30
8	Workplan and Terms of Reference	**Paper E**	12.40
9	Any other business and date of the next meeting	**Verbal**	12.55

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Compliance and Reporting Committee (CRC) Meeting
2 November 2026, 11.00am – 1.00am
Room 6.5, 18 Smith Square, London and Microsoft Teams

Paper A: Actions and Agreements of meeting held on 29 June 2026

Present

Jeffrey Dong	Chair – Wales Pension Partnership
Gillian Taberner	Practitioner – South Yorkshire Pensions Authority
Nemashe Sivayogan	Practitioner – Merton Pension Fund
Richard McIndoe	Practitioner – Strathclyde Pension Fund
Henning Diederichs	Institute of Chartered Accountants in England and Wales (ICAEW)
Catherine Pearce	Governance Consultant (Aon)
Ian Colvin	Governance Consultant (Hymans Robertson)
John Neal	UNITE
Nicholas Harvey	Chartered Institute of Public Finance and Accountancy (CIPFA)
Nicola Todd	Northern Ireland Local Government Pension Scheme
Kevin Gerard	Dyfed Pension Fund
Bramman Rajkumar	Ministry for Housing, Communities and Local Government (MHCLG)
Heather Wake	Tyne and Wear Pension Fund
Vickie Hampshire	West Sussex Pension Fund
Karen Gibson	Dorset Pension Fund
Ben Lavell	MHCLG
Ben Robertson	MHCLG
Fiona Miller	Border to Coast
Paul Mayers	National Audit Office
John Boyd	Audit Scotland
Emelda Nicholroy	The Pensions Regulator (TPR)
Nick Gannon	TPR

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Secretariat

Clair Alcock	Local Government Association (LGA) – Head of Pensions and 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

1. WELCOME, APOLOGIES, INTRODUCTIONS AND DECLARATIONS OF INTEREST

Apologies were received from Peter Worth. Peter Turner was absent without apology. There were no declarations of interest declared. The committee welcomed two new practitioner representatives: Heather Wake, Governance and Funding Manager at Tyne and Wear Pension Fund and Vickie Hampshire Governance Manager at West Sussex Pension Fund.

Members were advised that Henning Diederichs is currently representing the ICAEW following the departure of Jack Bower, while arrangements are made for a permanent replacement. It was also noted that this would be Fiona Miller's final meeting, as she will be leaving her role at Border to Coast later this year. Work is underway to identify a replacement representative. The chair asked the committee to express thanks to Fiona for her service on the committee.

The chair informed the committee of his new role within the Welsh Pension Partnership and confirmed that the Board Chair has agreed that he can continue as a member of the committee and chairmanship, with formal approval due to be sought from the Board in July.

2. ACTIONS AND AGREEMENTS FROM PREVIOUS MEETING

The actions and agreements from the meeting held on 2 March 2026 were agreed as a true and correct record of the meeting.

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3. MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (MHCLG) UPDATE

Ben Lavell (BL) confirmed that the outstanding member benefits Government response from the Access and Protections consultation would be available after summer recess. The committee were also advised that the statutory guidance for the Fit for the Future regulations is expected to be released later that day. The committee and it is working groups were thanked for their contributions to the guidance.

There was a committee query whether the Goodwin judgement had been addressed and it was confirmed this was part of the survivor benefits reforms in place from April 2026. It was also shared by BL that there was a wide range of views expressed on the proposals for New Fair Deal that some changes were being considered, but there would still be a six-month implementation window once the final proposals were announced.

There was a discussion on the impact of the Virgin Media case and following a question to BL on progress, it was confirmed that work is ongoing and an update would be provided at the upcoming Cost Management, Benefit Design and Administration (CMBDA) committee.

There was also a significant update from Ben Robertson regarding the latest policy thinking of the separation of pension fund accounts from those of the host authority. A presentation was provided and a more detailed policy paper shared with the committee in confidence ahead of the meeting, setting out the Government's preferred approach to decoupling and its impact on issues such as annual governance statements, value for money assessments, approval of accounts, reporting deadlines and auditor requirements.

More formal consultation on these measures would begin shortly and the committee agreed that further discussion through the audit working group would be beneficial, particularly given the potential implications for future annual reporting guidance and the lessons that may be drawn from reporting arrangements already operating in Wales. The secretariat will organise a meeting of the audit working group, aiming for July 2026.

Some initial comments shared by the committee were:

- Concern regarding any potential extra costs if a different value for money assessment was required from that of the host authority
- That the approval of accounts should still sit with the audit committee (but with some support for this to move to the pensions committee)
- There were varying views on whether decoupling meant publication deadlines of accounts could be brought forward. This would suit some scheme employers, especially academy schools, but it was noted that there was a need to avoid clashes with other audit demands
- A preference for the accounts, Fund Annual Report and Annual Governance Statement to continue to be published as one document

4. FIT FOR THE FUTURE WORKPLAN

The committee heard that it was expected that the statutory guidance would be available soon and asked the committee for its view on what else the Board could do to assist funds. The committee agreed that further supplementary guidance would be useful and in addition to the contents of paper E suggested a template for the Governance Strategy and guidance on preparing for an Independent Governance Review.

The committee were supportive of the secretariat investigating how it could create a stakeholder group for Independent Persons and the secretariat confirmed it was planning an IGR appointment event with TPR and the national frameworks team.

The chair felt that prioritisation was important and would prefer knowledge and understanding near the top, which was supported by Gillian Taberner, including how that requirement applied to officers too.

5. UPDATE FROM THE PENSIONS REGULATOR (TPR)

Representatives from TPR outlined the regulator's ambition to increase engagement, support and visibility across the public sector pensions sector. TPR would be paying particularly close interest to the implementation and outcomes of Independent Governance Reviews, the development of skills and capabilities among those responsible for LGPS governance and the apparent inconsistencies of approach between LGPS funds in reporting breaches.

It was also confirmed that a letter would shortly be sent to governing bodies asking them to consider cyber risk.

It was agreed that the secretariat would look into drawing up some guidance on the

recording, materiality assessment and reporting of breaches to provide some greater consistency. It was recognised that TPR might not be able to endorse such guidance but it could be shared with them to ensure they did not object to it.

Members discussed the challenges associated with defining TPR's role in relation to investments, pooling and wider governance reforms, recognising that funding and investment issues currently sit outside the regulator's remit. TPR noted that it would seek greater clarity regarding the governance of the investment function and risk thresholds within the LGPS governance framework.

The committee also considered third-party administration risks. TPR encouraged early engagement where concerns arise and highlighted increasing interest in the performance and resilience of not just service providers but also software suppliers.

TPR recognised that while McCloud implementation appears to be moving into business-as-usual activity across most funds, the cumulative volume of change within the LGPS remains a significant challenge for administering authorities. It was reported that following TPR's usual governance survey, LGPS seems to be in a good place but as expected volume of change has been flagged as an issue. There was calls for more support for pension board chairs will be useful, maybe specific training and calls for the public sector toolkit to be updated. TPR were asked if they were planning to look at any new comms channels (with the new roles in LGPS) and the response was that this was under review.

6. PEER SUPPORT PROJECT

A progress update was presented on the Peer Support project. Members were advised that the first peer support training session had been successfully delivered in May 2026, with positive feedback received and strong interest in future training. An update was also provided on the pilot peer support review, which has been rescheduled to September 2026 following changes to Camden's committee membership after local elections.

The secretariat outlined progress in developing supporting documentation, including peer induction materials, fund guidance and a peer data form, and noted that these had been shared for feedback with the working group. Members were also informed about ongoing engagement with LGA colleagues to learn from established peer support programmes, the potential use of a CRM system to manage the peer network, engagement with Party Group Officers on the selection of elected member peers and

proposed project milestones. The update highlighted some uncertainty regarding longer-term LGA support and funding arrangements but confirmed that work is continuing to develop and scale the LGPS Peer Support programme.

The committee noted the significant work underway in the update and that a key factor in success will be the quality of volunteers, which looked good so far.

7. ANNUAL REPORT GUIDANCE

The committee noted and approved the secretariat's update on possible changes to the Annual Report guidance for scheme year 2026/27. Revisions are largely intended to reflect the governance reforms arising from Fit for the Future but could not be confirmed until the final statutory guidance was available.

The committee asked if there was a plan to refresh the CIPFA Statement of accounts guidance, from 2020/21. The response from CIPFA was that a review was not currently planned.

8. LOCAL PENSION BOARD SUPPORT AND GUIDANCE

Following the Board's agreement to a programme of work to strengthen support, networking and learning opportunities for local pension board (LPB) members and chairs, the committee received an update on recent and planned activity relating to LPBs.

The committee noted the success of the Board's first dedicated event for LPB Chairs and Deputy Chairs, held on 12 May 2026 and attended by representatives from 58 funds. The event focused on understanding LPB priorities and how LPB members wish to engage with the Board, alongside updates on Fit for the Future reforms, the changing role of LPBs and the emerging peer support programme.

In light of this positive response, the committee agreed the proposal to establish a LPB forum to provide a more informal environment for LPB Chairs to discuss common issues, share experiences and strengthen engagement across the LGPS. The first forum is scheduled for September 2026.

The committee agreed that the guidance should be refreshed to reflect current practice, the impact of Fit for the Future reforms, developments in governance and administration, and the evolving role of LPBs within the wider LGPS assurance framework.

9. WORKPLAN

The committee noted and agreed the contents of paper E and welcomed the planned work in this area. The secretariat would seek to produce draft versions of these guidance documents over summer 2026 and take to the November 2026 committee for consideration and ideally subsequent adoption by the Board at its November meeting. It was agreed that existing working groups (Good Governance and Knowledge and Understanding) will be utilised to test and inform the development of these supplementary guidance products.

10. ANY OTHER BUSINESS

None raised.

11. DATE OF NEXT MEETING

The date of the next meeting is the 2 November 2026 at 11.00am.

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Paper B: Fit for the Future update

Key points to note

The committee is invited to note progress on the conflicts of interest and knowledge and understanding guidance. Both were originally expected to be brought to this meeting, but the delivery timetable has been revised. The current intention is to publish the knowledge and understanding guidance in December 2026 and the conflicts of interest guidance in January 2027. Drafts will be shared with committee members for comment by correspondence ahead of publication

The committee is also invited to consider the proposed next steps for a developing support programme, particularly Independent Governance Review support.

The committee's overall workplan, including how the wider Fit for the Future support programme should be prioritised during 2027, will be considered at item 8.

Recommendation

For the committee to agree the suggested approach outlined in this paper and associated updates to the workplan at annex A.

Background

The statutory guidance on LGPS Fund Governance was published on the same date as the committee's last meeting in June. This paper provides an update on outstanding actions needed to support implementation of the Fit for the Future reforms.

Current position

In line with the committee's previous consideration of priorities in governance support activity, the secretariat has focused on the development of the two supplementary guidance products to support funds in implementing the requirements arising from the Fit for the Future reforms. These two guidance products are the

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conflicts of interest and knowledge and understanding.

The conflicts of interest guidance is intended to support funds in the preparation and maintenance of standalone conflicts of interest policies, while the knowledge and understanding guidance seeks to provide an updated, single framework to assess compliance with knowledge and understanding requirements, in light of the strengthened expectations under the Fit for the Future reforms.

At the last committee, it was anticipated that both guidance products would be developed through summer and autumn 2026 and brought forward for consideration at this meeting. While good progress has been made, delivery timescales have subsequently been affected by volume of other asks on the secretariat and the inability of the secretariat to grow the team given the ongoing restructuring at the Local Government Association (LGA).

Given the constraints on secretariat resources and the importance of progressing this work, additional consultancy support has been commissioned via an existing procurement framework set up by the LGA. The commissioned resource will assist with drafting and reviewing the guidance, providing additional capacity and independent challenge to support development. This support will be used alongside the input of the working group and is intended to supplement, rather than substitute for, the experience and practical insight provided by those on the working group.

The revised timetable is to is to publish the knowledge and understanding guidance in December 2026 and the conflicts of interest guidance in January 2027. This should still allow sufficient opportunity for engagement and detailed consideration of the draft documents by relevant stakeholders.

As the intention is to publish both guidance products before the next cycle of committee meetings, CRC members will be invited to provide comments on the draft guidance via correspondence.

Knowledge and understanding guidance update

The secretariat has reviewed the Pension Committee member section of the 2021

CIPFA Knowledge and Skills Framework to consider whether it remains fit for purpose following the introduction of statutory knowledge and understanding requirements through the Fit for the Future reforms. The review has been deliberately limited to the Pension Committee member section of the previous framework. This reflects the priority attached to supporting administering authorities in implementing the new statutory requirements for committee members and ensuring there is practical guidance available to help funds assess, evidence and develop knowledge and understanding for these roles.

Whilst the original CIPFA framework also covered Senior Officers, there is also a broader question as to whether Senior Officer competencies should continue to form part of the same framework, given the different treatment of this role within the new statutory guidance.

The review follows the nine-core knowledge and understanding areas identified within the June 2026 statutory guidance. These build on the earlier CIPFA framework but were updated to reflect broader changes in the LGPS governance landscape since they were published in 2021. This includes consideration of governance reforms, evolving administration and oversight arrangements, the increased focus on governance effectiveness and developments relating to pooling and investment governance.

The draft guidance also introduces a revised structure for assessing depth of knowledge, using three levels of attainment: awareness, general understanding and strong understanding. This approach is intended to provide a clearer articulation of the level of knowledge expected across different competency areas and to support funds in designing proportionate training and development frameworks.

Draft guidance has been shared with the working group for review. The secretariat considered it important that working group members were given sufficient time to provide detailed feedback on the draft before it is brought forward for committee consideration. Feedback from the working group has been requested by 30 October 2026 and a verbal summary of views received will be shared with the committee.

The secretariat would also welcome provide feedback from committee members on the following issues:

- Whether the draft guidance appropriately expands upon and supports the statutory knowledge and understanding requirements.
- Whether an appropriate distinction has been achieved between knowledge and understanding requirements and the wider responsibilities of committee members as decision-makers.
- Whether the proposed levels of awareness, general understanding and strong understanding provide a suitable framework for assessing competence.
- Whether any areas of knowledge have been omitted, duplicated or included in excessive detail.
- Whether emerging governance topics, including administration governance, cyber resilience and digital oversight, are sufficiently reflected within the framework.
- The future approach to Senior Officer competencies, including whether these should continue to be included within the same framework or be considered separately in light of the differing requirements set out within the statutory guidance.

Based on the feedback received, we will further refine the guidance, particularly in areas where governance reforms and other related workstreams continue to develop. Of particular relevance will be the outputs from the Pension Administration Strategy Working Group, which may influence how competencies relating to administration governance, cyber resilience and digital oversight are ultimately framed.

The committee is invited to note the progress made to date and agrees the approach to clearing a final draft for publication.

Conflicts of Interest policy guidance

Work on guidance for creating a LGPS-specific conflicts of interest policy is also continuing, however, as a brand-new guidance document, the scoping of this guidance has required more time.

The starting point has been to develop a structure similar to the Board's Funding Strategy Statement guidance and Preparing the Fund Annual Report guidance. The focus will be on what a good Conflicts of Interest Policy should cover, rather than prescribing how funds should identify, assess or manage conflicts in practice.

Our aim is that the final guidance will act as a practical reference point for funds and for anyone reviewing a fund's policy (including, potentially, an Independent Governance Review assessor), to help determine whether all of the expected elements have been considered and covered. It is not intended to provide detailed guidance on the management of conflicts themselves, as these arrangements will need to reflect local governance and circumstances.

An early draft has been shared with our consultant for review, and it is expected that a more advanced draft will be sent for feedback from the Good Governance working group in November 2026. Subject to the receipt and consideration of this feedback, the secretariat intends to share a revised draft with the committee via correspondence alongside an updated timetable for finalisation.

Independent Governance Review (IGR)

While the Board fully supported the implementation of its own Good Governance recommendations through Fit for the Future, it always had some reservations about the regulatory approach to Independent Governance Reviews and had identified that this would benefit from further development and engagement with the sector.

Since the June Committee meeting, a series of stakeholder discussions and a practitioner workshop have been undertaken to explore the purpose, scope and operation of the Independent Governance Review process set out in statutory guidance. This work has highlighted the importance of establishing a proportionate and effective framework that supports assurance, learning and continuous improvement across the Scheme, whilst avoiding unnecessary duplication with

existing governance and regulatory requirements.

The workshop held on 1 October 2026, brought together administering authorities, the secretariat, The Pensions Regulator (TPR) and representatives from the National LGPS Frameworks Team to explore the practical implementation of IGRs and provide an opportunity for participants to share emerging thinking and experiences.

Recognising that many funds are at an early stage of considering their approach to IGRs, discussions focused on developing a more consistent understanding of the purpose of reviews, the range of approaches available to funds, and the practical opportunities and challenges associated with commissioning and undertaking reviews. To encourage open and candid discussion, detailed comments were not recorded. Instead, a high-level briefing note was produced summarising the key themes raised by participants. The workshop demonstrated significant interest from funds in understanding how IGRs may be approached in practice and highlighted a strong appetite for collaboration and the sharing of emerging good practice. In particular, attendees identified value in greater consistency around the specification, scope and procurement of reviews, both to support funds undertaking reviews and to help develop market understanding of expectations.

The workshop also identified significant concerns around the deliverability, timing and ability to obtain value for money through this process. It was agreed that the secretariat would continue to keep under review funds' experiences in procuring effective reviews and to make representations to MHCLG if it appeared that this was not proving possible.

A post-workshop discussion with the National LGPS Frameworks Team regarding the potential development of supporting materials that could assist funds when specifying and commissioning reviews has been undertaken. This relates to the concerns raised during the workshop regarding implementation timescales and the desire to provide practical support to funds at an early stage of the implementation process.

The feedback received through the workshop has further reinforced the secretariat's

view that much further work and stakeholder engagement is needed to ensure IGRs deliver additional benefit to the scheme and are not just a compliance exercise. The secretariat undertook to help to co-ordinate with practitioners, in a quick timescale, a draft model specification for an IGR.

Recommendation: for the secretariat to lead work to develop a draft specification for an IGR, ideally by the end of the year.

Broader Fit for the Future support programme

Since publication of the final Fit for the Future statutory guidance the secretariat believe that it would be helpful to consider bringing together the various asks of it from MHCLG and funds into a broader Fit for the Future support programme. Ongoing engagement with administering authorities and other stakeholders has provided greater insight into implementation challenges and support requirements. The table below summarises the secretariat's updated proposed programme of guidance, engagement and support activities, recognising that priorities may continue to evolve as implementation progresses.

The Secretariat will continue to refine and prioritise its work programme based on stakeholder feedback, implementation challenges emerging from the sector, and greater understanding of how funds are approaching the new requirements in practice. Specifically, the committee will be asked to comment on the wider committee work programme in item 8 and how the support programme set out below should be prioritised in the 2027 timetable:

Annex A – Fit for the Future support work programme

Workstream	Output	Responsible Lead	Timescale
Knowledge and understanding	Supplementary guidance	SAB Secretariat	Publication December 2026
Conflicts of interest guidance	Supplementary guidance	SAB Secretariat	Publication January 2027
Independent Governance Review	Specification for procurement	Joint secretariat and LGPS frameworks team	Publication December 2026
Governance Strategy	Potential supplementary guidance	To be confirmed	To be confirmed
Training Strategy	Potential supplementary guidance	SAB Secretariat	To be confirmed
Independent Person network	Community of practice and peer support network	SAB Secretariat	To be confirmed
LGPS Senior Officer Network	Community of practice and peer support network	SAB Secretariat	To be confirmed
Breaches Framework Support	Supplementary guidance and support activity	SAB Secretariat / The Pensions Regulator	To be confirmed

Compliance and Reporting Committee

(CRC) Meeting

2 November 2026 11.00am

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Paper C: Audit working group update

Key points to note

Since the June 2026 meeting, the working group has received updates on MHCLG's emerging policy proposals and its preferred approach to pension fund accounts being decoupled from those of the host administering authority. This paper summarises the information provided to the working group and will be supplemented by a verbal update by MHCLG at item 3. The Board has also responded to CIPFA's consultation on the Code of Practice and organised the next audit working group meeting.

Recommendation

To note this report.

Current position

Brief Summary: Pension Decoupling – MHCLG Policy Position

Following a detailed presentation at the June committee meeting the audit working group met on 20 August 2026 to discuss a policy paper detailing the decoupling of pension fund accounts from the administering authority accounts and how the recent LGPS Fit for the Future reforms interact with these proposals. Since the last meeting, the working group have received two policy proposals iterations to comment on. The first was an updated policy paper, which builds on the MHCLG proposals shared at the last committee meeting and the second provided additional detail on proposals for a separate Annual Governance Statement. The working group's discussions have centred on a number of key policy areas where the proposals have continued to develop:

Publication arrangements and public rights

A significant area of discussion has been the future publication timetable for pension fund accounts and annual reports. MHCLG has indicated support for pension fund accounts being audited and published earlier in the year than administering authority accounts. It has mooted a deadline for publication of pension fund accounts by 31

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October and at bringing forward the deadline for the annual report to coincide with that. The practical difficulties of accelerating publication timetables, including auditor capacity and reporting processes, have formed an important part of stakeholder feedback.

MHCLG has also indicated that existing rights relating to public inspection and objections should initially remain unchanged, although longer-term opportunities to define such rights in terms of scheme members and employers, rather than local residents, will be explored.

Governance and accountability
MHCLG had proposed the introduction of a pension fund-specific Annual Governance Statement (AGS) and a separate Statement of Responsibilities for pension fund accounts, signed by the administering authority's Chief Financial Officer. The intention is to strengthen the visibility of pension fund governance and accountability arrangements whilst avoiding unnecessary duplication with wider administering authority governance reporting.

The aim is to provide a clear and accessible assurance framework for stakeholders while minimising additional reporting burdens.

Audit framework and oversight
Current audit arrangements would largely remain unchanged. MHCLG's emerging policy position is that auditor powers, including public interest reports, statutory recommendations and advisory notices, should continue to apply through the administering authority as the relevant legal entity. Similarly, existing Value for Money assessment arrangements would remain in place in the short term, although views have been sought on whether pension fund-specific approaches may be appropriate as part of wider local audit reform programmes.

The working group has also discussed proposals to support greater audit specialisation in the future, including enabling pension-specialist audit led partners to sign off LGPS accounts as wider local audit reforms are implemented.

Local audit reform
Alongside decoupling proposals, the working group received high-level updates on the establishment of the Local Audit Office (LAO), which will assume responsibility for coordinating the local audit system, including auditor appointments, fee setting, quality oversight and wider system leadership. These reforms are intended to improve audit capacity, coordination and accountability across the local government

audit framework and will provide the wider context within which pension fund account decoupling is implemented.

Overall position
The proposals continue to evolve through engagement with stakeholders, but the overall direction of travel has remained consistent. MHCLG is pursuing a pragmatic decoupling model which would increase the visibility and transparency of pension fund reporting through separate accounts and governance reporting, whilst retaining existing governance structures, accountability arrangements and audit responsibilities. The emphasis remains on improving audit timeliness and the usability of pension fund reporting without creating unnecessary complexity or burden for administering authorities, auditors and pension funds.

Audit roundtable
The audit roundtable meeting date has been set for 19 November 2026 from 11.00am to 1.00pm.

CIPFA consultation on the 2027/28 Code of Practice on Local Authority Accounting in the UK
The Board submitted a response to this consultation on pension reporting, focusing on the practical challenges associated with the current IAS 19 accounting framework. In compiling its response, the working group were consulted.

The response notes that the existing approach creates significant complexity for employers, actuaries and auditors, with particular challenges arising from audit scrutiny, differing accounting interpretations and the application of reporting requirements across different employer types within the LGPS.

The response also highlighted concerns around the treatment of certain admitted body employers and suggested that further consideration should be given to an accounting override that would allow defined contribution-style reporting for local authority and other publicly funded employers. The response also expressed concerns regarding the application of IFRIC 14 within the LGPS, stating that it has created significant complexity and uncertainty, particularly as more funds have moved into surplus positions. While recognising that guidance issued to date has been helpful, the Board called for greater consistency in interpretation and application across preparers, auditors and other stakeholders, supported by clear system-wide leadership.

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Paper D: Peer support project

Key points to note

The LGPS Peer Support programme continues to make progress despite the postponement of the first pilot with the London Borough of Camden due to local by-elections. Prior to the postponement, a peer team was successfully recruited and preparatory work undertaken with an experienced LGA Peer Challenge Manager. Interest in the programme remains strong, with a second fund expressing interest in participating as a pilot and sufficient demand from prospective peers to establish a waiting list for further training. Work has also begun on developing a central peer database to support peer recruitment, matching, availability tracking and conflict management as the programme expands.

Preparatory work for the pilot has helped refine the proposed peer selection framework, including role-specific criteria for Pension Committee members, Local Pension Board members and LGPS officers.

Our engagement with the LGA Political Group Offices (PGOs) has developed considerably through this work, and we have now established good relationships with them. They have been particularly valuable in identifying experienced Pension Committee members not previously known to the Secretariat. They will also have an important role in the selection of member peers, so establishing a collaborative approach to member peer recruitment will be key.

In parallel, feedback from the working group has shaped the programme documentation, FAQs and communications materials. While longer-term funding options and the relationship between peer support and Independent Governance Reviews continue to be developed, the immediate priority remains delivering and evaluating the pilot programme to establish proof of concept and inform future decisions on wider rollout and sustainability.

Background

The proposal for a LGPS specific peer support offer derived from the proposals in SAB's original Good Governance Report initial objectives were agreed at the 24 June 2024 CRC meeting and the Board agreed the project governance proposal when it last met in March 2026. The objectives for LGPS peer support are:

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- 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

Recommendation

That the committee notes the progress made on this workstream.

Project summary

Pilot delivery

We had set dates for our first pilot with Camden in September 2026 and recruited a peer team to undertake the pilot compromising of:

- Pension Committee Member
- Local Pension Board Vice-Chair
- Local Pension Board Member
- Head of Pensions and Treasury Investments

Planning meetings were also undertaken with an LGA peer manager who has significant experience delivering corporate peer challenges across local government and who would facilitate the pensions-specific programme.

Due to the Camden October 2026 by-elections, the pilot was postponed. The preparatory work undertaken remains relevant and we are now working with the fund to identify an alternative suitable date.

We have also been approached by another fund who are interested in being our second pilot fund. Initial discussions have begun to explain the peer support offer, what participation would involve and to answer questions about the process. We also have a waiting list for a 2nd peer training event.

As the project grows along with a trained list of peers, we have started looking at how we can develop a central database which will support the management of the LGPS peer network. The database should capture key information on each peer, including their experience, skills, training, availability and peer support activity. This will help match peers to assignments, manage conflicts of interest, monitor participation and support the development of the programme

Peer team selection

Although the pilot was ultimately postponed, the preparatory work undertaken to assemble the peer team proved invaluable in testing and refining the proposed peer selection process. This provided the Secretariat with an early opportunity to apply the recruitment and matching approach in practice, helping to identify the key factors involved in building an effective peer team. The experience has strengthened our understanding of the importance of maintaining accurate peer data, developing a diverse and well-connected peer network, and ensuring that peer skills and experience can be effectively matched to the needs of individual funds. These lessons will help inform future pilots and the wider rollout of the peer support programme.

Current proposals are for a standard peer team to comprise the following roles: a LGPS Senior Officer, Local Pension Board member and Pension Committee member (ideally but not necessarily the chair), with flexibility to tailor the composition to the needs of each event. The secretariat would maintain responsibility for identifying and selecting peers from a trained peer pool, taking account of relevant experience, expertise, availability and potential conflicts of interest.

This approach recognises that the secretariat does not currently hold comprehensive information on all Pension Committee members across the LGPS and that PGOs can provide valuable insight into members' experience, skills and suitability as peers. It is intended over time to develop proposals for the secretariat to have access to better and more up-to-date information on who sits on pension committees.

Engagement with the PGOs during preparation for the pilot phase proved particularly beneficial, enabling the identification of experienced Pension Committee members who were not previously known to the Secretariat. The model therefore seeks to combine the Secretariat's understanding of LGPS peer support requirements with the knowledge and networks of the PGOs.

The proposed peer selection framework is now taking shape, with draft eligibility criteria and matching arrangements developed for each peer role. However, successful implementation will depend on further development of the supporting peer infrastructure. This includes establishing and maintaining an up-to-date peer database, expanding the pool of trained peers through targeted recruitment and engagement activity, and working closely with administering authorities to identify individuals with the appropriate skills and experience. Further work is also required to finalise the peer selection methodology and clarify the roles of the Secretariat and PGOs in supporting the appointment process before the programme is rolled out more widely.

Working group engagement

The working group met on 13 July 2026 and were invited to provide feedback on a suite of draft documents developed by the Secretariat. These documents are intended to support both LGPS peers participating in the programme and administering authorities receiving peer support. An overview of each document and its intended purpose is set out below. The working group was asked to consider whether the documents addressed the key information and issues that participants would expect to see covered, both from the perspective of a host fund and a peer. Members were also invited to comment on whether each document successfully met its stated objectives and purpose.

1. **Draft LGPS Peer Support Induction Pack (pre-training)**
   This induction pack will be provided to individuals who volunteer to become peers and will be issued prior to training. Its purpose is to provide an overview of the peer role and the peer support programme.

- Does it provide a clear and comprehensive overview of the role of a peer?
- Are there any important areas or information that are missing?

2. **Draft LGPS Fund Guidance**
   This guidance is intended for pilot funds participating in a peer support event.

- If your fund were receiving this guidance, would you have a clear understanding of the peer support process?
- Does it explain what participating funds can expect and the information they will be required to provide? In particular, is the list of documents requested from funds appropriate and does the position statement guidance provide sufficient detail.

3. **Draft Peer Team Guidance Note (post-training)**
   This guidance is designed to support peers before and during a peer support event. It will be tailored and issued to the peer team once an event has been confirmed.

- Does it provide the information and support that you would expect as a member of the peer team?
- Are there any additional areas that should be covered?

4. **Peer Support Framework**
   This framework outlines the broad themes of a peer support event and is intended to provide a consistent structure on which each review can be based.

- Does the framework cover the right areas?
- Are there any themes or topics that should be added, removed, or amended?
- There is also an open question on the use of this framework during the implementation period of some of the new statutory requirements and post implementation.

Following our request for feedback from funds on the peer support documents, we received valuable and constructive challenge to the proposed approach. Several common themes emerged, including the publication of reports, the costs associated with peer support and the challenge of recruitment of knowledgeable and experienced peers appeared. We have also asked the group to help us reach any networks, events, newsletters or other channels that could help us reach both peer and fund volunteers.

Communications

In response to the working group's feedback and to ensure we are able to be clear about the peer support offer, we have also published Frequently Asked Questions to help with both communications around the project and to address the feedback we have received. The questions (and responses) were taken from those frequently asked when developing the peer support documentation as well as the presentations we have provided at events and committee and board meetings.

We are looking to develop a develop communications to promote the peer support offer and are considering producing a short video of a peer discussing the importance and value of being a peer could help raise awareness of the offer and encourage others to get involved.

At the Independence Governance (IGR) workshop referred to in paper B there was feedback that peer support could be a helpful means for funds to share findings and practice following an IGR.

Longer-term funding models

At its July 2026 meeting, the Board requested further consideration of the longer-

term funding model for LGPS peer support, specifically the relative merits of funding the programme through the levy compared with recovering costs from participating funds. The Board agreed that a future budget paper should set out the advantages and disadvantages of each approach and include a recommended option. It was intended that a proposal was to be brought to this committee meeting for consideration. This timetable would have enabled our recommendation to be informed by learning from the initial pilot, particularly around the practical delivery model, resource requirements and likely cost compared to the budgeted amount. However, as the pilot was postponed, the Secretariat has not yet been able to gather the operational evidence needed to fully assess the implications of the different funding approaches and test proof of concept.

The secretariate acknowledges that the future funding arrangements are an important part of the programme's long-term development, so the current priority is to successfully test and evaluate the peer support model through the pilot phase. Based on experience to date, we are now planning for a longer pilot stage, funded through the levy as previously agreed, so that we have a stronger evidence base to inform eventual decisions on sustainable funding arrangements for the wider roll-out.

Further work on funding options will therefore continue alongside pilot delivery and evaluation, with recommendations being brought forward once practical experience of the model has been gained.

Independent Governance Reviews (IGRs)

It is welcome that the governance statutory guidance identifies peer support as a potential mechanism for supporting governance improvement and addressing areas for development arising from Independent Governance Reviews (IGRs), creating a clear link between the two initiatives. However, the Secretariat has been clear that IGRs are not intended to be the sole route into peer support. While supporting funds in responding to governance review findings is likely to be an important use of the programme, peer support is intended to be a broader sector-led improvement offer that can assist funds at any stage of their governance and service improvement journey. As experience of the programme develops, IGRs may become a significant driver of demand, but they are expected to be only one of several routes through which funds may access peer support.

However, the practical relationship between IGRs, peer support and other support funds may seek is still emerging which must be considered. The pressure to meet the statutory deadline for funds to undertake an IGR by March 2028 does however

mean that many funds are understandably prioritising planning for and delivery of that review in preference to volunteering for peer support. As a result, while both initiatives are developing concurrently there is uncertainty over the common themes likely to emerge from IGRs and the extent to which funds may seek peer support in response to their review findings.

This presents both an opportunity and a risk for the programme. While IGR outcomes may ultimately help to demonstrate the value of peer support and generate demand for the offer, there is also a risk that uncertainty around review outcomes and competing fund priorities may affect engagement during the early stages of programme development. The secretariat therefore considers it important to continue to focus on successfully testing and evaluating the peer support model through the pilot phase before making decisions about wider rollout, scale or long-term funding arrangements.

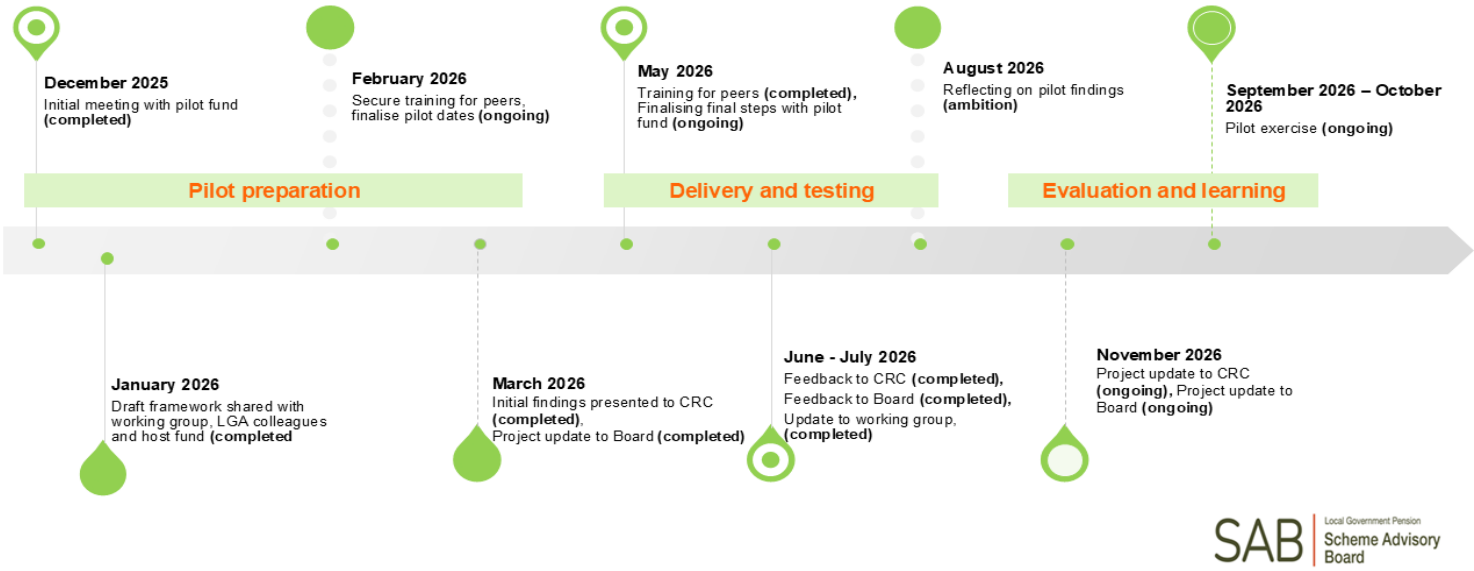
Learning from both the pilot programme and the first wave of IGRs will provide a stronger evidence base for determining how peer support can best complement IGRs and support funds in responding to any recommendations arising from their reviews.

Pilot project update

The overall project milestones were agreed in February 2025 and have evolved as the pilot deliverables have been identified. See **Annex A** for an updated plan of the key milestones within delivery of pilot 1. These are based on our understanding of the project and learning from LGA colleagues on similar projects.

Annex A

Key milestones of the delivery of pilot 1



SAB Local Government Pension Scheme Advisory Board

Compliance and Reporting Committee (CRC) Meeting
2 November 2026 11.00am
Room 6.5, 18 Smith Square, London and Microsoft Teams

Paper E: Workplan and Terms of Reference

Key points to note

With the much-appreciated assistance of the committee's working groups the secretariat continues to make progress with the workplan agreed by the committee. Engagement has also commenced to inform the refresh of local pension board guidance through the inaugural Local Pension Board Chairs Forum.

The secretariat continues to keep the existing working group structure under review to ensure it remains the most effective way of supporting delivery of the governance work programme. Having operated since 2022, the groups have played a key role in shaping the scheme's governance framework. As the focus shifts from development towards implementation, support and continuous governance improvement, the committee now needs to determine how its working group arrangements should evolve to support its priorities for 2027.

Recommendation

For the committee to agree the updated workplan at Annex A and determine the preferred approach to its future working group arrangements.

Review of committee Terms of Reference and membership

The secretariat is undertaking a review of each committee's Terms of Reference to promote greater consistency in presentation of governance arrangements, roles and ways of working, while retaining flexibility to reflect the distinct remit and work programme of each committee. As part of this review, the secretariat will consider whether the Terms of Reference remains aligned to the committee's evolving workplan and the implementation of Fit for the Future reforms taking place across the LGPS. The committee's current terms of reference can be found on the Board's website.

The review will specifically consider how governance roles introduced through Fit for the Future, including Independent Persons and LGPS Senior Officers, can best be represented on the committee. Both appropriate levels of representation and the

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selection process for the nomination of specific individuals will need further consideration.

The secretariat is also considering committee membership succession planning. A significant proportion of current this committee's members will reach the end of their first term of appointment during 2027, creating a potential risk to continuity and retention of committee knowledge. The option of staggering the length of reappointments is therefore being considered, alongside making new appointments, to manage this future transition effectively. This can help balance the benefits of member refreshment with the need to retain experience and maintain delivery of the committee's work programme.

Currently the committee currently comprises 19 members drawn from a range of stakeholder groups, including practitioners, audit representatives, member representatives, advisers, local pension board and professional bodies. In total, 13 of the current 19 members are due to complete their first term between May and November 2027.

The committee also has recently had a vacancy appear with Kev Gerard (Carmarthenshire) stepping down.

The secretariat will make recommendations to any proposed changes arising from this review to the committee and Board for consideration at the next round of meetings. The committee are invited to give their views and any steer on how they believe this membership issues should be handled.

Working groups

All working groups have met since the last committee meeting. The Good Governance, Knowledge and Understanding, and Peer Support Working Groups met in July 2026, while the Audit Working Group met in August 2026.

Since the publication of the Fit for the Future statutory guidance, the secretariat has continued its engagement, both with the working groups and wider scheme stakeholders to understand the range of activities to assist funds in implementing the new requirements. A more detailed update on this work is provided under Item 4.

Work on redrafting the local pension board guidance has not yet commenced. However, the secretariat convened the inaugural local pension board chairs' forum to begin engagement with stakeholders and inform the development of this work. The

forum provided an opportunity for chairs from across the LGPS to share experiences, discuss emerging governance issues and engage directly with the secretariat. Attendance and feedback were positive, with strong support for establishing the forum as a regular engagement mechanism. This will help ensure that future guidance is informed by practitioner perspectives and provide an avenue for testing and refining guidance as it is developed.

An overview of the current working groups is below. The Knowledge and Understanding and Good Governance Working Groups have been operating since 2022 and have made a significant contribution to the development of the Fit for the Future policy and guidance. As both groups move towards the completion of their current priority outputs, it is an appropriate point to review their future remit and structure.

The committee is asked to agree the future approach to its working group arrangements, taking account of the evolving work programme and in particular the work outlined under item 4. Options include maintaining the current groups, with their remits refreshed to reflect emerging priorities, bringing them together into a single governance-focused working group or establishing time-limited task and finish groups aligned to specific policy priorities as they emerge.

In determining the preferred approach, the committee should consider the transition from policy development towards implementation and support, the work that remains to be delivered, and the effective use of member and officer resources. The intention is that the committee determines the arrangements that will best support its work programme for 2027.

Working group summary and members

Audit

Meeting Chair	Nemashe Sivayogan (London Borough of Barking and Dagenham)
Supported by	Sara Maxey (Essex); Nick Harvey (CIPFA); Melissa Kelly (Cornwall); Peter Worth (TAS Accounting); Joana Marfoh (Islington); Henning Diederichs (The Institute of Chartered Accountants in England and Wales (ICAEW)); (MHCLG), Isabelle Fabrefa (Wiltshire), Sangeeta Surana (Kent) and Grant Patterson (Public Sector Audit Appoints/Grant Thornton)
Start date	August 2022
Target completion date	March 2027 (will be reviewed once decoupling timetable and exact outputs confirmed)
Meetings since June 2026:	August 2026

Current position

The main aim of this working group is to feed into the policy work for the proposed changes to the decoupling of the pension fund accounts. A full update is at item 5.

Knowledge and understanding

Meeting Chair	John Jones (Local Pension Board Chair 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	December 2027
Meetings since June 2026	7 July 2026

Current position

A full update is provided at item 4. Group to meet on 10 November 2026 to discuss draft guidance shared and publication aiming for December 2027.

Good Governance

Meeting Chair	Vacant
Supported by	Kevin Gerard (Carmarthenshire~~)~~ *no longer a member from October 2026*; Nick Harvey (CIPFA); Will King (MHCLG); Nemashe Sivayogan (London Borough of Barking and Dagenham); 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	January 2027
Meetings since June 2026:	7 July 2026

Current position

When the group met on 7 July 2026, they discussed the final statutory guidance and agreed the workplan discussed by the committee. It was agreed that the secretariat would share the conflicts of intertest guidance with the group for comment, when drafted. It is expected that the draft will be shared in November 2026.

Peer support

Meeting Chair	Becky Clough
Supported by	Vicky Jenks, Martin Griffiths (Shropshire), Yvonne Thompson (Hounslow), Miriam Adams (Hackney), Sarah Hargraves (Lambeth), Karen Williams (Clwyd), Nick Gannon (The Pensions Regulator), Glen Cossey (Norfolk), Alistair Wickens (Warwickshire), Vickie Hampshire (West Sussex), Mukhtar Master, Anna Lloyd (Oxfordshire), Gillian Taberner (South Yorkshire Pension Authority), Lisa Garton (East Riding), Gemma Farley, Andrew Boutflower (Hampshire), Yunus Gajra (West Yorkshire), Jayne Brown, Junaid Laly (Lancashire), Mala Visram (London Pension Fund Authority), Jill Murray (Scottish Borders Council) and Nick Orton (Tyne and Wear Pension Fund).
Start Date	November 2024
Target completion date	Ongoing
Meetings since June 2026	July 2026.

Current position

See separate agenda item 6.

Annex A – Compliance and reporting committee workplan 2026/27

Workstream	Details	Timescale
Audit issues	To share views and expertise of administering authorities and scheme employers with government to assist in shaping the proposal and implementation for decoupling the pension fund accounts from the main administering authority accounts To recommend agenda items for the Audit Roundtable meetings.	Target completion date is to be confirmed once timetable confirmed with MHCLG Audit roundtable being held on 19 November 2026.
Knowledge and understanding	To feed views and expertise into updated knowledge and understanding supplementary guidance	Publication December 2026
Good Governance	To feed views and expertise into conflicts of interest policy supplementary guidance	Publication January 2027
Peer Support	To scope out the feasibility of creating a LGPS peer support offer and delivery peer support pilot events (see more detailed paper and timetable at agenda item 6).	Ongoing.
Annual Report guidance	To consider any changes needed to the guidance as they arise, including potentially opt out reporting, Pension Administration Strategy guidance and feedback from funds	To be confirmed
Local pension board support and guidance	To strength the support, networking and learning opportunities for local pension board (LPB) members	To be confirmed
Independent governance review	Specification for procurement initially, then further engagement on other work required.	Specification publication by December 2026
Governance Strategy	Guidance on the preparation of a Governance Strategy	To be confirmed

Workstream	Details	Timescale
guidance		
Training Strategy guidance	Guidance on the preparation of a Training Strategy	To be confirmed
Independent person network	To be scoped out	To be confirmed
LGPS Senior Officer network	To be scoped out	To be confirmed
Breaches framework support	Guidance on reporting specific LGPS breaches to TPR	To be confirmed