

Current issues in the LGPS

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Welcome to the latest edition of Current issues in the LGPS — **11 May 2026**

With Royal Assent secured, final regulations and guidance on the Fit for the Future reforms are expected soon. We explore the resultant training needs below. And don't miss our Big Picture report on the 2025 valuation results!

➤ **Spotlight on pension reform:**

1. New legislation is born!

With Royal Assent received, the Pension Schemes Bill has finally become the [Pension Schemes Act 2026](#). The Act introduces wide-ranging reforms across the UK pensions system, particularly focused on value for money, consolidating pension savings, and supporting larger schemes that are seen to deliver better investment outcomes.

2. What it means for the LGPS

The Act enables LGPS reform of investment, pooling and governance, while leaving detailed implementation to secondary legislation. However, given the scale of ongoing change, careful

sequencing and realistic timelines will be important to ensure reforms remain deliverable in practice. Getting this next stage right will protect what the LGPS already does extremely well, while ensuring it remains fit for the future. As further background, the English & Welsh SAB has produced a [briefing paper](#) about the final stages of the Bill's legislative passage. This includes details of the rejected Lords' amendments, along with the substantive assurances that were put on record by the minister.

3. Next steps

In theory, LGPS regulations could arrive at any time. Once made, there is a 21-day period before they can come into force. This then triggers the beginning of the six-month periods for the

appointment of the independent person and senior officer. We think the earliest realistic date that regulations could come into force is 1 June. Accompanying statutory guidance is likely to be published after regulations are made.

➤ **Spotlight on valuations:**

1. 2025 valuations – the Big Picture

With the ink dry on another valuation, we have taken a step back to look at the Big Picture in England & Wales. The headline [story](#) is a positive one, with strong funding positions and lower employer contributions - although as always there is variation at local fund level. Read our [Big Picture report](#) to understand more about what is driving the outcomes and the key takeaways from a successful 2025 valuation.

2. 2025 valuations – FSS consultations

The message is clear from Funding Strategy Statement consultations – better conversations lead to better outcomes. Funds produced clearer, more accessible documents, leading to strong and genuine engagement with employers. Employers responded in kind, providing high-quality feedback and helping shape more affordable and sustainable contribution outcomes. Academies were supported by constructive dialogue from the Department for Education. Read more about our reflections [here](#).

3. 2026 valuations – off and running!

Work is underway as we enter the 2nd month of the valuation year in Scotland. We know from LGPS valuations in 2023 and 2025 that it's nice to have a funding surplus; however, it creates more options for funds to achieve the right balance of affordability today and sustainability for tomorrow. Scottish funds should be reviewing their assumptions and funding strategy as early as possible to create time to assess options and engage with stakeholders.

➤ **Suddenly Sussex**

Following the release in March of 'decision' and other letters to priority areas in the English devolution programme, the largest authorities in Sussex received 'next steps' letters from the government. East and West Sussex, including

Brighton & Hove, can expect a further consultation on their futures after the May elections are complete. Links to the letters are stored [here](#).

➤ **LGPS benefits for elected members**

English councillors will have access to the LGPS again from 11 May 2026. Elected members will remain part of the local authority and employer contribution rates should remain unaffected. LGPS benefits differ slightly for councillors, and these members should be identifiable on administration software with a marker or separate code. The Local Government Association (LGA) has issued a special [bulletin](#) on the subject with [further guidance](#) to be provided online in the coming weeks. Our training session on 4 June will discuss in more detail – please register your interest [here](#).

➤ **Spotlight on training needs:**

1. LOLA v3.0


We will soon be upgrading our on-demand learning platform – [LOLA](#) - with a brand-new look and feel. The content has been updated to align to the 9 core areas within the new Governance Guidance issued to funds. LOLA's new training methodology employs a hybrid learning plan for users. We're transitioning from a primarily video-based platform to multiple methods of training engagement such as flashcards, quizzes, or text, alongside our suite of re-recorded training videos and refreshed content.

2. Setting strategy

We recently held a webinar "Turning your LGPS training strategy into action" – which can be [viewed on demand](#). This covered what 'good' looks like – the approach to training delivery, recording attendance, induction training and assessing knowledge and training needs.

3. The impact of English local elections

These elections on 7 May will result in new members on Committees for many funds. This, coupled with requirements under the new Pension Schemes Act (see earlier article), places training front and centre for LGPS funds. New committee members will have to go through a rigorous induction program, to ensure they are fully up to



speed ahead of their first Committee meeting. Your Hymans consultant will be sharing our free “*Brief Guide to the LGPS*” publication around mid-May, designed for inclusion within induction packs. We can also provide induction training.

4. National Knowledge Assessment

Look out for our popular NKA (you can [register your interest](#)) which will be launching in late summer, as a means of conducting your training needs assessment annually for Committee and Board members.

➤ The plan to make work pay

The Department for Business and Trade has [called for evidence](#) on the operation of the Transfer of Undertakings (Protection of Employment) - 'TUPE'—Regulations 2006. It calls for views on a range of related issues including “*how to strengthen the existing set of rights and protections for those subject to TUPE to create a more stable workforce during transitions*”. Any changes are likely to be of most interest to those LGPS employers involved in transferring staff who are not covered by The Best Value Authorities Staff Transfers (Pensions) Direction 2007 or New Fair Deal.

➤ Investment perspectives:

Fresh off the press, our latest [Investment Perspectives](#) showcases a range of topical articles, from private debt, infrastructure and global equities to stewardship success stories. Last but not least, our capital markets team gives its views on key asset classes.

1. Global equity market valuations (page 3)

We discuss barriers to entry, earnings growth trends, and what they mean for fair value. Could valuations deflate in a benign way if earnings growth is strong?

2. Using evergreen structures to continue private debt investment (page 6)

An article outlining the structures that are becoming available for UK investors, focusing on evergreen solutions.

3. The outlook for infrastructure (page 9)

This piece gives a forward-looking perspective on infrastructure and explores why it's a compelling asset class for long-term investors.

4. Stewardship stories: engagement in action (page 12)

We share two case studies that show why asset owners shouldn't give up on stewardship amid a broader ESG pushback

5. Capital markets update (page 15)

The impact of escalating conflict in the Middle East and disrupted energy supplies is discussed in our Q1 outlook.

➤ Tipping into the wild unknown

A new [paper](#) from the actuarial profession warns that accelerating biodiversity loss, climate shocks and geopolitical disruption are pushing us towards dangerous tipping points, with serious consequences for financial stability. It highlights how soil degradation, water scarcity and ecosystem collapse could drive global food system disruption, social instability and systemic economic risk. The paper, co-authored by our own André Ranchin, calls for urgent policy action and for asset owners to integrate nature-related risks into decision-making.

➤ Accounting notes:

1. Recent market volatility

The market experienced a period of significant volatility around the reporting date of 31 March 2026. The financial market conditions (on which the accounting assumptions are based) and asset values may have changed materially since the reporting date. As you finalise your financial statements, it may be necessary to include additional narrative and/or estimated monetary impacts as a disclosure note. Our dedicated accounting team are available to assist you on this at LGPSCentralAccountingTeam@hymans.co.uk.

2. How's your accounting experience?

With new valuation results coming into effect in England and Wales, employers will see asset and

obligation experience on their balance sheet this year. This is due to a combination of things, such as cashflow differences, changes in membership between funding valuations and changes to actuarial assumptions adopted at the 2025 valuation. The impacts will vary depending on employer profile. Further analysis on experience items is available to employers by getting in touch with our accounting team at the address above.

➤ **Final dash to Pensions Dashboards**

As noted in the '*In brief...*' section below, the Pensions Regulator has published a market-oversight report about progress towards the launch of Dashboards. The report covered the whole market but includes food for thought for LGPS funds. The conversation so far has focused on connecting to the ecosystem, but now is the time (if you haven't already) to think about how you will answer enquiries the fund receives. Is the member data in good shape? Do you know how you'll get information from the AVC provider? Our [blog](#) outlines five key LGPS actions.

➤ **Events and webinars**

Webinar: 2025 valuations: the Big Picture, 12 May

The 2025 actuarial valuations have now concluded, and the outcomes highlight the ongoing strength of the LGPS. In this [webinar](#) we'll discuss the findings in our "2025 valuations: the Big Picture" report (see earlier article) and explore what the key themes tell us about the current funding position of the LGPS.

Pensions UK Local Authority Conference, 15-17 June

We're looking forward to this year's conference at Wyboston Lakes, where our own Kate Dickson and Michael Burton will be hosting a session on how funds can ensure effective governance. If you haven't already booked your place you can sign up [here](#).

In brief...

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to March 2026 at 3.3%, a rise of 0.3% since the prior month. The biggest contributor to the increase was motor fuel.

Briefing papers

The House of Commons Library has published two papers. [One](#) discusses the changes to lifetime and annual allowances and the [other](#) gives an overview of pensions in the UK with key data on the new and old state pension and private sector pensions.

Pensions taxation

HMRC's [Pension Schemes Newsletter 180](#) includes '*early background*' on the intended scope and effect of forthcoming transitional regulations for the

increase to normal minimum pension age (NMPA) on 6 April 2028.

Updates from The Pensions Regulator (TPR):

- [New Chair](#) – an announcement about the appointment of Emma Douglas.
- [Pensions dashboards](#) – a market-oversight report, accompanied by a blog, about the state of schemes' dashboards preparations. Large schemes are mostly connected, and many are working on the data and processes that they'll use to make matches to members. However significant work is still required on the 'value data' that needs provided.



Parliamentary Q&A's about the LGPS:

- Access for English councillors – two questions were raised. One [response](#) confirmed that local authorities will not be given specific funding to pay for extending access (given strong funding positions) whilst the [other](#) confirmed that authorities must publish employer pension contributions made to councillors under Regulation 15 of the Local Authorities (Members' Allowances) (England) Regulations 2003.
- Fiduciary duty – a further two questions with mention of responsible investments. One [response](#) refers to an upcoming asset allocation template and guidance, and the role of pools on delivering investment strategies. The [other response](#) includes mention of updated guidance on preparing and maintaining an investment strategy statement guidance. This is expected to restate that non-financial factors can be considered provided they do not risk significant financial detriment to the scheme and are considered to be supported by members.

Contingent spouse pensions

The Pensions Administration Standards Association (PASA) has published [guidance](#) outlining the key considerations for assessing and calculating contingent spouse pensions, with a primary focus on data quality.

McCloud complaints

The Pensions Ombudsman (PO) is [planning](#) to publish 'significant determinations' on key issues about public sector McCloud-remedy implementation, as a way of indicating likely outcomes in similar cases. The PO has also outlined its expectations of schemes.

Connecting to pensions dashboards

With six months to go until the final connection deadline of 31 October 2026, the Pensions Dashboards Programme (PDP) has published a [blog](#) covering key issues relating to the connection.

Updates from the Scheme Advisory Board (England and Wales):

- [Mapping exercise](#) - as part of its wider internal governance structure review, the SAB is running an exercise to better understand what groups have already been established, identify any gaps and ultimately optimise engagement with its stakeholders. A form for completion by each fund is available at the link.
- [Pension Schemes Act 2026](#) – a briefing paper about the passage of the Pension Schemes Bill through Parliament (see earlier comments on the front page).

English devolution

The English Devolution and Community Empowerment Bill has received Royal Assent and becomes an Act. It will introduce new measures to expand devolution and empower mayors and local people.

UK Treasury bills

HMT and the Debt Management Office have confirmed [plans](#) to expand and deepen the market for T-bills.

Salary-sacrificed pension contributions

With Royal Assent received, the [National Insurance Contributions \(Employer Pensions Contributions\) Act 2026](#) introduces a £2k cap on any salary-sacrifice contributions that are relieved from NICs, effective from 6 April 2029. This will affect any AVC's paid to the LGPS via such arrangements.

Article links

Spotlight on pension reform

<https://bills.parliament.uk/bills/3982>

<https://lgpsboard.org/wp-content/uploads/2026/05/Pension-Schemes-Act-2026-Scheme-Advisory-Board-SAB-Briefing-Paper-1-2.pdf>

Spotlight on valuations

<https://public.flourish.studio/story/3664931/?full>

<https://www.hymans.co.uk/media/ynigpzxw/2025-valuation-big-picture-report.pdf>

<https://www.hymans.co.uk/insights/60-second-summary-reflections-on-the-2025-lgps-funding-strategy-statement-consultation>

Suddenly Sussex

<https://www.gov.uk/regional-and-local-government/devolution#news-and-communications>

LGPS benefits for elected members

https://lgpslibrary.org/assets/bulletins/2026/277_Elected%20members.pdf

<https://www.lgpsregs.org/>

<https://analytics-eu.clickdimensions.com/hymanscouk-atwsv/pages/elxabzmfqithweumtn7a.html?PageId=6f5abc103e33f11188b47c1e5264cdec>

Spotlight on training needs

<https://www.hymans.co.uk/services/lgps-online-learning-academy>

<https://www.hymans.co.uk/insights/webinar-turning-your-lgps-training-strategy-into-action>

<https://analytics-eu.clickdimensions.com/hymanscouk-atwsv/pages/kt0ndz1jefgitaaisecqoa.html?PageId=0f273d91633df11188b400224840aaa0>

The plan to make work pay

<https://www.gov.uk/government/calls-for-evidence/make-work-pay-transfer-of-undertakings-protection-of-employment-regulations>

Investment Perspectives

https://www.hymans.co.uk/media/ndtbs42x/260505_inv_db_investmentperspectives_may26.pdf

Tipping into the wild unknown

<https://actuaries.org.uk/media/4m4k45at/planetary-solvency-tipping-into-the-wild-unknown.pdf>

Accounting notes

<mailto:LGPSCentralAccountingTeam@hymans.co.uk>

Final dash to Pensions Dashboards

<https://www.hymans.co.uk/insights/pensions-dashboards-five-actions-lgps-funds-should-take-now>

Events, webinars & training

<https://event.on24.com/wcc/r/5329383/9EB8A52E861596EED699E0B76CF88D8A>

<https://www.pensionsuk.org.uk/Events/Conferences/Local-Authority-Conference>

In brief...

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2026>

<https://commonslibrary.parliament.uk/research-briefings/sn05901/>

<https://commonslibrary.parliament.uk/research-briefings/cbp-10139/>

<https://www.gov.uk/government/publications/pension-schemes-newsletter-180-april-2026/newsletter-180-april-2026>

<https://www.gov.uk/government/news/emma-douglas-appointed-new-chair-of-the-pensions-regulator>

<https://www.thepensionsregulator.gov.uk/document-library/research-and-analysis/market-oversight-pensions-dashboards>

https://lgpslibrary.org/assets/bulletins/2026/277_Elected%20members.pdf

<https://questions-statements.parliament.uk/written-questions/detail/2026-04-10/124707>

<https://questions-statements.parliament.uk/written-questions/detail/2026-04-10/124708>

<https://questions-statements.parliament.uk/written-questions/detail/2026-04-14/HL16317>

<https://questions-statements.parliament.uk/written-questions/detail/2026-04-15/HL16400>

<https://www.pasa-uk.com/wp-content/uploads/2026/04/Data-WG-Contingent-Spouse-Benefits-FINAL-1.pdf>

<https://www.pensions-ombudsman.org.uk/sites/default/files/publication/files/McCloud%20update%20slides%20April%202026%20.pdf>

<https://www.pensionsdashboardsprogramme.org.uk/publications/blogs/pensions-dashboards-connection-deadline-your-questions-answered>

<https://lgpsboard.org/board-launches-lgps-network-mapping-exercise/>

<https://lgpsboard.org/wp-content/uploads/2026/05/Pension-Schemes-Act-2026-Scheme-Advisory-Board-SAB-Briefing-Paper-1-2.pdf>

<https://www.gov.uk/government/news/english-devolution-bill-receives-royal-assent>

https://assets.publishing.service.gov.uk/media/69f9a5c2903bc40650ede48b/The_UK_Treasury_bill_market_-_Response.pdf

<https://bills.parliament.uk/bills/4046>

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