

# Current issues in the LGPS

## Richard Warden

Partner – Actuarial Public

[richard.warden@hymans.co.uk](mailto:richard.warden@hymans.co.uk)

0141 566 7877

[Get in touch](#)



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

Market volatility, valuations and consultations continue to keep funds busy as we draw close to the end of the LGPS scheme year. And, on something a little different, we dive into the world of anti-obesity drugs and explore their impact on mortality.

### ► **Spotlight on the Middle East conflict:**

As events unfold, our immediate thoughts rest with those directly impacted by the conflict.

#### **1. The impact on markets**

In [our view](#), this conflict should be thought of as a structural geopolitical risk, rather than a short-term trading event. Energy and inflation risks are heightened: the Middle East is critical to global oil and liquefied natural gas supply, particularly via the Strait of Hormuz. Against this backdrop, we think it's sensible to prioritise resilience through diversification, stress testing and strong governance. And in the longer term, clear

stewardship frameworks will be essential as the scrutiny of companies exposed to conflict-related activities intensifies.

#### **2. The 2025 valuations**

As noted above, global market volatility has increased, and there remains uncertainty over the full extent and impact of the conflict on economies. As a long-term investor, the LGPS is well equipped to ride out periods of volatility. 2025 funding strategies are resilient to such impacts (current volatility levels are within the range of expected outcomes modelled). We'll continue to monitor the situation and keep funds updated on the impact and any actions.

### 3. Governance implications

As with the situation in Ukraine, the US-Israel-Iran conflict raises governance aspects for funds to consider. Cyber security remains paramount. In addition, the political connections of public service schemes (including the LGPS) make them a target for bad actors. One UK council reported around 20,000 cyber-attacks per day in 2025 prior to the current conflict. Attempted fraud may increase – frontline staff should be well versed to spot the signs, whether it be a classic pension scam or the coercion of a vulnerable person. Decision makers should also be familiar with the regulations surrounding pension transfers so ‘red’ and ‘amber’ flags can be acted on promptly.

#### ➤ Putting trust in English schools

Schools are the largest LGPS employer type across England, with around 10,000 local authority schools and 12,000 academies. The DfE’s latest [policy paper](#) proposes more collaboration, requiring schools to join a “school trust”. Local authorities would be newly permitted to establish their own trusts, bringing maintained schools into a shared governance structure. The LGPS is not mentioned but the DfE’s proposals could be significant, given the sheer volume of employers and the resulting funding impact of employer movements.

#### ➤ Spotlight on valuations:

##### 1. On the home straight in England and Wales...

Final reports and funding strategy statements are being rubber stamped across the LGPS. Reflecting on a busy and successful valuation, the LGPS remains in a strong position and has seen increased levels of stakeholder engagement throughout. Careful stewardship of long-term strategy against this backdrop has been a widespread theme. We’ll be bringing more analysis of how funds have navigated the 2025 valuation once all the results are published – watch this space!

##### 2. ... whilst the starting gate opens in Scotland

One valuation winds down and another one kicks into gear. We hosted a roundtable discussion with our Scottish LGPS funds last month to hear officer

views on what to expect from the 2026 valuation and how the picture has changed since 2023. The continued strong funding position requires a considered approach. We’re now working with funds to develop funding strategy and set up a successful 2026 valuation – whilst leaving plenty of time to properly engage with stakeholders on decisions and outcomes.

##### 3. FSS – consultation, not confrontation

As part of the 2025 valuations, funds have delivered high-quality, collaborative consultations, with strong employer engagement through forums and one-to-one discussions. This helped employers understand funding strategies and raise any affordability concerns. Crucially, employer feedback influenced outcomes, with contribution rates discussed and refined to reflect employer-specific circumstances within agreed funding parameters. The result has been a clear win-win: employers are satisfied with the process, with funds confident that rates align with long-term funding strategies.

#### ➤ Update on legislation and consultations:

##### 1. To elect or not to elect, that is the question

It’s all go in the world of English devolution. Cancelled elections are [back on](#) this May bringing almost inevitable changes to Pension Boards and Committees. In addition, the government has released a [Local Outcomes Framework](#), setting expectations of local authorities. This may well feed into the work of the new Combined Authorities, and shape local investment opportunities for LGPS funds and pools.

##### 2. Access and Fairness – phase one

The government has [made the anticipated changes](#) to the LGPS England and Wales regulations to cover the first phase of [the Access and Fairness proposals](#). The reforms address discrimination in survivor benefits regulations, make changes to the rules governing breaks in service to try to address the gender pensions gap and make some adjustments to the McCloud remedy. At first glance, the changes are in line with what was expected (see our [briefing note](#) for more on the original proposals). However, the devil is in the detail and

we'll be going through the regulations to piece the changes together in the coming weeks.

### 3. Admission of English mayors and councillors

On 24 February, the government published a [partial response](#) to last year's Access and Protections consultation, confirming that mayors and councillors in England will have access to the LGPS again. As expected, this is a change that will be coming in quickly – the scheme will be accessible to councillors from 11 May 2026, the Monday after the local elections. You can read more about this in our [briefing note](#).

### 4. Pension Schemes Bill: LGPS provisions

The Bill continues to progress through the House of Lords. During the Committee stage, peers proposed several amendments in relation to the LGPS clauses. The government responded to outstanding questions in a [letter](#) dated 9 February, attempting to clarify issues including the use of directions powers, collaboration with strategic authorities, disbandment of pools, and the setting of, and advice on, investment strategy. The Bill has now moved to Report stage, where a series of [tabled amendments](#) will be considered. This includes amendments relating specifically to the LGPS, three of which seek to introduce additional requirements around the triennial valuation and the application of prudence. Report stage sittings are scheduled for 16, 19 and 23 March.

#### ➤ Accounting update:

##### 1. Closing the door on 2024/25

With the passing of the local authority backstop date of 27 February, most LGPS employers in England and Wales have completed their 2024/25 accounts. For the remaining few, finalising the results of the 2025 funding valuation could lead to additional figures being requested by auditors. These are likely to focus on the impact of using the final 2025 funding results to prepare the 2024/25 accounting figures against the previously issued results. Please reach out to our accounting specialists at [LGPSCentralAccountingTeam@hymans.co.uk](mailto:LGPSCentralAccountingTeam@hymans.co.uk) for support.

##### 2. Accounting for your questions at March 2026

Ahead of the 2025/26 accounting exercise, our accounting specialists have organised a webinar for LGPS employers to help understand the key factors impacting this year's figures. Join us on 26 March 2026 where we will cover the differences in valuation approaches and what's changed in the accounting environment since 31 March 2025. Registration for the webinar is [here](#).

#### ➤ Longevity update:

##### 1. Weight loss drugs

Club Vita hosted a webinar in its popular "*The Risk of Living Longer*" series on 4 March. The session considered weight loss drugs, which are gaining attention as many people struggle to improve weight and metabolic health through lifestyle changes alone. The panel discussed whether these drugs could help people live longer and how they may affect future mortality trends. A recording of the webinar is available [here](#).

##### 2. 'Healthy' life expectancy

The number of years people in the UK can expect to spend in 'good' health has fallen, according to the latest [figures](#) released by the Office for National Statistics (ONS). However, it has limits as a measure of people's ability to work. It is based on self-reported health, which can be influenced by personal experience and expectations, as well as the wider social and economic landscape.

#### ➤ La-la-la-la LOLA!

With government expectations around training for Board and Committee members being stepped up, we aren't standing still. For the past year we've been improving our LGPS Online Learning Academy (LOLA) platform to improve interactivity and accessibility for users. Our [blog](#) explains more. The target release of the platform for all our existing clients is early in the new financial year (subject to alterations in any upcoming LGPS guidance).

## ➤ Spotlight on Responsible Investment (RI):

### 1. The exaggerated demise of ESG?

We [surveyed](#) 100 UK asset owners, including LGPS officers, about their views on ESG and stewardship. We found that investors see ESG related issues as more important and more complex than two years ago, despite a perceived industry backlash. We encourage asset owners to assess and challenge the RI capabilities of their managers and pools, and to proactively use their role as both pool investors and shareholders.

### 2. A reset for stewardship: Our take

The Investment Association, a group made up of investment managers, recently published a [report](#) to reset the conversation around stewardship. We broadly agree with their stance, but highlight [our view](#) that investment managers have been less vocal on sustainability issues that have become politicised. Our survey – see above – found that investors expect more of managers when acting on behalf of investors.

## ➤ Events, webinars & training:

### LGC Investment seminar – 18-20 March

This [event](#) at Carden Park provides a forum for open discussion, strategic thinking and collaboration around the most pressing issues facing funds today, from the progress of the Pensions Bill to the impact of market volatility on your investment strategy. Our own Rob Bilton is delivering a session on Valuation and Funding strategy alongside Melanie Stokes from Staffordshire Pension Fund.

### Pensions and Retirement Conference – 28 April

Our one-day event in London – registration [here](#) - will bring together experts, thought leaders and emerging voices from across the private and public pensions sector. Designed for those in senior positions, we'll explore how we can advance our thinking, solve complex challenges and create an environment where pensions can thrive for decades to come.

### Good governance webinar

Watch our on-demand [webinar](#) for a practical look at the Good Governance framework in England and Wales, and what it means for your LGPS fund. It covers the key elements of the framework, practical results-focused solutions to help you meet the requirements, and how it fits in the broader landscape of changes coming into effect in the new LGPS scheme year.

### Creating a Sustainable Future for Scottish LGPS

Following the success of the 2025 event, Scottish LGPS funds are meeting once again. Hosted on 16 and 17 March at the Old Course Hotel in St Andrews, this year's event brings senior leaders and experts from across the public and private sectors together. With our own Ben Farmer co-chairing the programme, the event will focus on how the 11 funds can strengthen voluntary collaboration, support a fair climate transition and channel investment into Scotland in a way that strengthens long-term sustainability.

## In brief...

### Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to January 2026 at 3.0%, which is 0.4% lower than the prior month.

### Economic and fiscal outlook

The Office for Budget Responsibility (OBR) [published](#) its latest outlook alongside the Chancellor's [Spring Forecast](#). The OBR's outlook noted that behavioural responses to changes in the Inheritance Tax regime (announced in the October

2024 Budget) and the tax base for inheritable pensions wealth are particularly uncertain.

### Updates from the English and Welsh Scheme Advisory Board (SAB):

- [Annual Review 2025/26](#) – covering SAB's activities, including those of committees and working groups, over the last year and its priorities for the year ahead.
- [Updated summary statement](#) – covering the management of the LGPS and future plans.
- [Meeting with Pensions Committee Chairs](#) – the SAB's Chair is hosting a discussion virtually on the strategic direction of the Scheme on 17 March. The Local Government Minister, Alison McGovern MP, has been invited to provide an update.

### Updates from the Pensions Dashboards Programme (PDP):

- [Draft reporting standards](#) – a consultation has been launched on a new version (v. 2.1) of these standards. It's open to comments until 25 March 2026. [FAQ's](#) have also been released.
- [Consumer testing](#) – a plea to the industry for help in recruiting scheme members to test the MoneyHelper pensions dashboard.
- [Pension status categories](#) – a blog about how the MoneyHelper dashboard will display pension-search results to users. Hits will be categorized as 'confirmed', 'pending' (scheme expected to supply more information without further action from the user) or 'need action' (user needs to do something to get information).

### Data protection

The Information Commissioner's Office (ICO) has published [guidance](#) on 'How to deal with data protection complaints'. The publication anticipates the 19 June 2026 commencement of the obligation, under section 103 of the [Data \(Use & Access\) Act 2025](#), on data controllers to establish a process for data subjects to make and receive responses to complaints.

### Inheritance tax (IHT) on pensions:

- [Parliamentary Q&A](#) – raising concerns about the ability of deceased persons' representatives to assess and pay IHT on pensions (from 6 April 2027) within the standard six-month deadline. Late-settlement interest is charged if the deadline is missed.
- [Finance \(No. 2\) Bill](#) - the government has tabled numerous amendments to the pensions-IHT provisions in the Bill.

### 1958 birth cohort

The latest DWP [research](#) on the National Child Development Study, which follows the lives of 17,415 babies born in 1958, includes detailed information on pension provision. The survey was conducted at ages 62 to 65. The research highlights key areas requiring attention that are likely to be of interest to the new Pensions Commission.

### Updates from the Financial Conduct Authority (FCA):

- [Communicating priorities](#) – the FCA is exploring a new way of informing the various sectors that it regulates about its priorities, publishing annual reports for each sector instead of more-numerous portfolio letters. A report for the regulated pensions sector has just been [published](#).
- [Targeted support](#) – the rules behind this new regulated activity have been finalised. It will allow financial advisers to suggest pensions and other investment products that are aimed at customers occupying segments with shared needs and characteristics, without going so far as to give full financial advice to individuals.

### Pensions increase 2026

HM Treasury has [produced](#) its usual multiplier tables for the application of this year's public-sector pension increases. LGPS pensions which have been in payment for a year will be increased by 3.8% from 6 April 2026.



### **Digital administration**

The Pensions Administration Standards Association (PASA) has [published](#) part three of its Digital Administration Guidance series. It focuses on how schemes can translate digital transformation strategy into delivery, embedding saver engagement, change management and iterative improvement into day-to-day operations.

### **Where to find factors**

The Government Actuary's Department (GAD) has created an [online Hub](#) holding current and historic factors and related guidance provided to public-sector scheme managers, including the LGPS.

# Article links

## Spotlight on the Middle East conflict

[https://cms.hymans.co.uk/media/0all32lp/260203\\_marketflash\\_us-israel-iran-conflict.pdf](https://cms.hymans.co.uk/media/0all32lp/260203_marketflash_us-israel-iran-conflict.pdf)

## Putting trust in English schools

<https://www.gov.uk/government/publications/every-child-achieving-and-thriving/every-child-achieving-and-thriving-html-version#part-2-stronger-foundations-to-deliver-change-1>

## Update on legislation & consultations

[https://assets.publishing.service.gov.uk/media/699328da7da91680ad7f44a9/update\\_on\\_secretary\\_of\\_state\\_s\\_decision\\_regarding\\_local\\_elections\\_of\\_may\\_2026\\_-\\_letter\\_to\\_council\\_leaders.pdf](https://assets.publishing.service.gov.uk/media/699328da7da91680ad7f44a9/update_on_secretary_of_state_s_decision_regarding_local_elections_of_may_2026_-_letter_to_council_leaders.pdf)

<https://www.gov.uk/government/publications/local-outcomes-framework/local-outcomes-framework>

<https://www.legislation.gov.uk/uksi/2026/226/made>

<https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-access-and-fairness/outcome/local-government-pension-scheme-in-england-and-wales-access-and-fairness-government-response>

<https://www.hymans.co.uk/media/cv4pxzkk/hymans-robertson-igps-england-wales-consultation-access-and-fairness.pdf>

<https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections/outcome/local-government-pension-scheme-in-england-and-wales-access-for-elected-members-government-response>

<https://www.hymans.co.uk/insights/extension-of-igps-access-to-councillors-and-mayors-in-england>

<https://data.parliament.uk/DepositedPapers/Files/DEP2026->

[0104/10.02.26\\_PSB\\_Committee\\_LGPS\\_Letter.pdf](0104/10.02.26_PSB_Committee_LGPS_Letter.pdf)

<https://bills.parliament.uk/Publications/65309/Documents/7992>

## Accounting update

<mailto:LGPSCentralAccountingTeam@hymans.co.uk>

<https://event.on24.com/wcc/r/5261471/E7100C4CE69E5BB0BB29D6CBEEA456CA>

<https://www.clubvita.net/uk/>

<https://www.clubvita.net/uk/events/risk-of-living-longer-the-glp-1-effect>

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/healthstatelifeexpectanciesuk/between2011to2013and2022to2024>

## La-la-la la LOLA

<https://www.hymans.co.uk/insights/new-year-new-training-plan-new-lola>

## Spotlight on Responsible Investment (RI)

<https://www.hymans.co.uk/insights/esg-stewardship-research-2026>

<https://theia.visme.co/view/q74zpoz-d-full-report-of-the-ia-s-stewardship-working-group#s1>

<https://www.hymans.co.uk/insights/realigning-stewardship-an-investment-consultants-perspective>

## Events, webinars & training

<https://investmentseminar.lgcplus.com/LGIS26/en/page/home>

<https://www.hymans.co.uk/insights/pensions-and-retirement-conference>

<https://event.on24.com/wcc/r/5219938/162C62682798D40FADB2C2ADB4388884>

## In brief...

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

<https://obr.uk/efo/economic-and-fiscal-outlook-march-2026/>

<https://www.gov.uk/government/news/spring-forecast-2026-the-right-economic-plan-for-britain>

<https://lgpsboard.org/scheme-advisory-board-annual-review-2025-26/>

<https://lgpsboard.org/summary-of-local-government-pension-scheme-lgps/>

<https://events.teams.microsoft.com/event/a37671e5-e8ec-45ce-8f98-d9bf7c38ce67@e162e4ee-054f-4b3c-8d39-75524ca8f2e9>

<https://www.pensionsdashboardsprogramme.org.uk/standards/reporting-standards-draft>

<https://mailchi.mp/maps/faqs-reporting-standards-and-consultation-8813605>

<https://www.pensionsdashboardsprogramme.org.uk/publications/news/testers-wanted-for-moneyhelper-pensions-dashboard>

<https://www.pensionsdashboardsprogramme.org.uk/publications/blogs/understanding-the-3-pension-status-categories-on-the-moneyhelper-pensions-dashboard>

<https://ico.org.uk/for-organisations/how-to-deal-with-data-protection-complaints/>

<https://www.legislation.gov.uk/ukpga/2025/18/contents>

<https://questions-statements.parliament.uk/written-questions/detail/2026-02-03/HL14214>

[https://publications.parliament.uk/pa/bills/cbill/59-01/0377/amend/finance2\\_rm\\_rep\\_0303.pdf](https://publications.parliament.uk/pa/bills/cbill/59-01/0377/amend/finance2_rm_rep_0303.pdf)

<https://www.gov.uk/government/publications/pensions-and-economic-status-among-the-1958-birth-cohort-prior-to-reaching-state-pension-age/pensions-and-economic-status-among-the-1958-birth-cohort-prior-to-reaching-state-pension-age-spa#executive-summary>

<https://www.fca.org.uk/news/blogs/smarter-approach-communicating-our-regulatory-priorities>

<https://www.fca.org.uk/publication/regulatory-priorities/pensions-report.pdf>

<https://www.fca.org.uk/publications/policy-statements/ps25-22-consumer-pensions-investment-decisions-rules-targeted-support>

<https://www.gov.uk/government/publications/public-service-pensions-increase-2026>

<https://www.pasa-uk.com/press-release-pasa-publishes-part-3-of-digital-administration-guidance-delivering-effective-digital-transformat/>

<https://gadfactorguidancehub.co.uk/>

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