

Current issues in the LGPS

Richard Warden

Partner – Actuarial Public

richard.warden@hymans.co.uk

0141 566 7877

Get in touch



Welcome to the latest edition of Current issues in the LGPS — **12 October 2026**

SPPAs have been under the spotlight – our interview with a LGPS lawyer considers the pros and the cons. Adopting Fit for the Future reforms continues apace in the south whilst funds in the north are eagerly discussing their initial 2026 valuation results. And don't forget to 'mind the gap'...!

➤ **The Survivor Benefits handbook is coming!**

We were delighted to be joined by many LGPS funds on a webinar that dived into our Survivor Benefits handbook. The handbook, covering LGPS England and Wales, is a detailed and accessible guide to a complex topic. Featuring a 'Benefit Finder' – allowing you to find the right benefits for any of 193 different scenarios by answering five simple questions – we hope this will be a vital tool for funds working on their Access and Fairness implementation. Please get in touch with [Con Hargrave](#) or [Laura Guest](#) if you'd like to know more or watch a recording of the webinar, including a demonstration of the tool.

➤ **An investment in knowledge pays the best interest**

So said Benjamin Franklin. And with that in mind, the LGPS National Knowledge Assessment is now fully underway. The assessment is currently live with 15 funds, with many more signed up to take part in the coming weeks. The assessment provides an indication of knowledge levels across 9 topics for both your Committee and Board members, satisfying the new requirement for an annual training needs assessment and allowing you to tailor your fund's individual training plans. If your fund has yet to sign up, it can do so by contacting alan.johnson@hymans.co.uk.

➤ **Spotlight on Fit for the Future reforms in England & Wales:**

1. Preparing for your first IGR

We hosted a webinar recently that explored how our governance team can support funds to prepare for their first Independent Governance Review (IGR). Two options are available - a checklist for fund officers to complete their own pre-IGR assessment, or a Hymans consultant-led desktop review. With the deadline for completion of the IGR being 31 March 2028, now is a good time to work out a plan that leads to a successful outcome! The webinar is available on-demand [here](#).

2. Appointing an IP

There are around 3 months to go until funds must appoint an Independent Person (IP). The challenges of identifying candidates with the right mix of skills, experience and independence are well documented. We're pleased to have hosted Professional Independent Trustee firms in our Glasgow office, following a similar event in London for sole practitioners and smaller providers. We hope the sessions create a broader, better-informed and more diverse pool of candidates for funds to consider. We encourage funds to focus not only on experience and technical expertise, but also on the perspective, style and constructive challenge they want their IP to bring. Please contact your usual Hymans consultant if you need a hand with the process.

➤ **Strengthening our GAP team**

We're very pleased to welcome Craig Payne to our Governance, Administration and Projects (GAP) team. While much of the focus in the LGPS over the last two years has been on investment and governance reform, administration teams have been managing an equally demanding agenda. From delivering major projects and responding to regulatory change, to ensuring members receive the high-quality service they expect, administration remains at the heart of the LGPS. As our LGPS administration support continues to grow, we're excited about the additional expertise, ideas and capacity Craig brings to our 30+ strong GAP team.

➤ **Making pensions exciting**

We were delighted to work with Investors for Purpose, the Scheme Advisory Board in England and Wales and the City of Westminster Pension Fund to produce a [report](#) which explores the scale of diversity gaps (covering gender, ethnicity and disability) amongst LGPS members. Of particular interest were member interviews which highlighted the stories behind the gaps. Our [blog](#) considers the outcomes and next steps for funds.

➤ **Spotlight on Local Government Reorganisation (LGR):**

1. LGR heads north

With the pause on LGR in England, you'd be forgiven for thinking we'd be getting a bit quieter on this. But Scotland is now looking at its local authority structure on the back of reviewing how care services are being offered. Whilst England intends to move to a more consistently unitary approach, Scotland is looking at a two tier option with a mix of regional and community councils. We'll be keeping a close eye on the implications for Scottish LGPS funds. Further details are in our [blog](#).

2. Unpacking SPPAs

Single Purpose Pension Authorities remain an area of interest across the LGPS (and perhaps now in Scotland too). Many English funds are using the LGR pause to consider what good governance looks like for them and which model will best suit them in the future. To help nail down what it's all about our very own Andrew McKerns sat down with Ian Colvin (our authority on all SPPA-related things) and Gary Delderfield of Burges Salmon. You can listen to the interview [here](#). It covers what SPPAs are, the process for their establishment, legal and governance considerations, and finally our views on the likely direction of travel.

➤ Scottish 2026 valuations – the initial results stage

Initial results are beginning to emerge. The headlines remain positive with most funds reporting funding positions, at whole fund level, that are relatively similar to 2023. Funds will now begin consulting with employers on funding strategy and contribution outcomes – and as we discussed in our recent [briefing note](#), the answer is not straightforward. However, one thing is certain. The continued strength of the Scottish LGPS is a success story.

➤ Spotlight on investments:

1. Sustainability Snippets

Regulation, market practice and shifting investor priorities continue to shape the sustainability landscape. Our latest [blog](#) considers the social cost of social media, the consequences of nature-related risks and the withdrawal of the SEC in the US from the no-action process for shareholder proposals.

2. Stewardship reporting under the new LGPS regime

In the wake of recent LGPS reforms, some partner funds have questioned the value of Stewardship Code reporting if their pool is a signatory. However, while the reforms change how investment strategy is implemented, they don't remove partner funds' responsibilities and fiduciary duties. This [blog](#) discusses how Stewardship Code reporting represents an opportunity rather than a compliance exercise for partner funds, and why oversight of, and engagement with, the pool becomes increasingly important to demonstrate.

➤ Spotlight on pension accounting:

1. Summer round-up

As further education bodies and academies begin to receive their year-end FRS102 accounting results, we are seeing questions from employers and auditors seeking to further understand the movement in balance sheets from one year to the next. To help employers understand their results, our specialists are on hand to answer queries or to have three-way virtual meetings between employers, the actuary and auditor. If you're interested in hearing more, please reach out to our specialists at LGPSCentralAccountingTeam@hymans.co.uk.

2. Consultation on the 2027/28 Code

The CIPFA/LASAAC [consultation](#) on the Code of Practice for local authority accounting has now closed. The consultation considered a wide range of developments, including proposals for additional disclosure requirements and longer-term financial reporting reforms. We welcome any proposal that simplifies local authority administration; our response focused on the LGPS aspects and how we may be able to improve stakeholder understanding and accessibility of pensions financial reporting. We look forward to seeing the consultation outcomes and the areas for further consideration as part of the longer-term reforms.

➤ Regulating AI - the rock upon which AI stands

The Pensions Regulator's AI Plan places data quality at the centre of AI adoption. In [part 4](#) of his blog series, our Head of LGPS Digital considers what that means in practice for the LGPS. He explores why good data is about more than accuracy alone, and why the LGPS may be better prepared than many realise. If you're thinking about AI, this is where to start.

➤ Events, webinars & training

Upcoming events

LGC Investment Seminar Scotland, 29-30 October: Ben Farmer will be chairing this seminar in Edinburgh at the end of the month, with our Head of Valuations Tom Hoare sharing his outlook on the 2026 valuations. If you haven't already signed up you can do so [here](#).

LGPS Pensions Managers' Conference, 17-18 November: We'll be heading to Torquay again for South West Councils' popular annual event. We hope to see you there. Registration is [here](#).

Recent past events

LGC Investments & Pensions Summit, 9-11 September: This year's summit in Birmingham discussed some big topics including local investment, pooling, climate risk and governance. We produced [highlights](#) from the event, summarising each session and giving a taste of the key themes shaping the LGPS today.

In brief...

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to August 2026 at 3.1%, up 0.2% from the prior month. Transport costs, and particularly motor fuels, made the largest upward contribution to the monthly change.

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

[Diversity gaps](#) – a report from Investors for Purpose, jointly commissioned by Westminster City Council, SAB and Hymans. It quantifies gender and ethnicity gaps in the LGPS and includes interviews with members. Our article and blog above explore this further.

[Local Pension Board forum](#) – feedback from an inaugural forum with 36 LPB chairs on 7 September, including a poll about the implementation of the new governance requirements.

[New councillors](#) – feedback from a virtual welcome event with 58 councillors on 15 September, including poll results on understanding the LGPS and where support is most needed.

[Local Government Reorganisation](#) – a statement on the back of the government's LGR 'pause'. It includes MHCLG's [confirmation](#) that the timings set out in its July guidance for funds considering changes to their Administering Authority will no longer apply. SAB plans to continue to support appropriate proposals for SPPAs and keep pressing government for clarity around the LGR impact on funds. There's an article above, with an interview, that takes a deeper dive into SPPAs.

Funding academies and schools

According to reports such as this [one](#) from the Tes Magazine, the 2026/27 pay award for teachers in England is being funded via reductions in LGPS contribution rates.

State Pension triple lock

At the recent Labour Party conference, the PM [announced](#) a plan to tweak the triple lock to save money that could be spent instead on social-care reform. The proposal would be implemented from April 2030. For further reading, the IFS produced an [explainer](#) and the accompanying DWP analysis is [here](#).

Gender pension gap

The Pensions Policy Institute (PPI) has [proposed](#) some possible ways of mitigating the effects on women's pensions outcomes of the disadvantages that they experience in the labour market.

Private market investments

The Pensions Regulator (TPR) has [published](#) a 'Market Oversight' report based on the findings of a survey on investing in private markets. It lists several practical barriers but concludes that schemes and advisers are open to it. It closes with some actions that schemes are encouraged to consider.

Foreign Influence Registration Scheme (FIRS)

Another parliamentary [Q&A](#) on this subject, with a question about whether hostile foreign actors are promoting LGPS divestment in firms involved in the Trident nuclear deterrent or its renewal. The response mentions that LGPS investment decisions are a matter for administering authorities; any decisions that are directed by Russia or Iran need to be registered with FIRS.

Artificial Intelligence (AI)

The Institute and Faculty of Actuaries (IFoA) has [published](#) its AI Manifesto, setting out how actuaries can support organisations to build AI systems that are robust, trustworthy and sustainable over the long term.

Updates on pensions dashboards:

[Briefing paper](#) – issued by the House of Commons Library, it discusses how dashboards are being developed to enable people to access information about their pensions online.

[Reporting standards](#) – the PDP's latest update (v2.3) incorporates requirements for routine daily submission of data to the MaPS, effective from 1 March 2027.

Paying backdated LGPS benefits

The Local Government Association (LGA) has [published](#) legal advice commissioned from Burges Salmon on how administering authorities should tackle difficulties arising from recent, backdated changes to LGPS death-benefits rules in England and Wales

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T 020 7082 6000 | www.hymans.co.uk

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