

Current issues in the LGPS

November 2025



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Those working in the LGPS well know that times are busy. This is reflected in our content this month – dominated by various live consultations alongside business-as-usual activities such as valuations. Surely the Budget on 26 November won't involve any further change...!

2025 valuations in England and Wales:

Employer engagement

Employer results are starting to emerge for funds across the nations. In general, there has been good news for employers, with contributions trending downwards as set out in our prior [summary](#). Results will vary depending on individual employer circumstances. The messaging to employers and wider stakeholders about what this all means will be crucial for funds to navigate over the coming weeks. Look out for an invite to our upcoming webinar about engagement and consultation on 2025 valuation outcomes.

Cashflow planning

With employer results now emerging, attention is turning to cashflow management. Most employers are receiving reductions in contribution rates at the 2025 valuation, resulting in a decrease in available cash to make benefit payments. In addition, pensions in payment are also likely to increase by 3.8% from April next year as a result of the recent CPI [announcement](#). It's important for funds to carefully manage their cashflow position to ensure they hold enough liquid assets to meet monthly benefit payments.

That tracks!

At whole fund level, membership data discrepancies can be lost in the rounding. However, discrepancies matter considerably more at employer level, with the resulting data reconciliation leading to significant delays in hitting key valuation milestones. Funds who track their assets and cashflow regularly over the inter-valuation period have seen the benefit of less data discrepancies; they're able to easily reconcile membership data movements against changes in employer assets. Early identification of data issues flagged in asset tracking can reduce last-minute fixes impacting the delivery of employer results and improve general fund governance. For information on our asset tracking solutions, please reach out to us at ActuarialPublicEAMTeam@hymans.co.uk.

Local investments - LGPS fund perspectives

Given the government's policy direction, there's a clear expectation that LGPS funds will increase their commitment to local investment. To better understand attitudes, ambitions, concerns and practical plans, we

invited fund officers across England and Wales to complete an online survey. We received responses from 24 funds. The results show broad support for local investment, but practical concerns – especially around opportunity, risk and implementation – dominate. It's clear that funds are at different stages of their local investment journey: while notable success stories exist, some funds are starting the process. You can read the full report on the results [here](#).

Progress on the Pension Schemes Bill

As the Bill winds its way through due parliamentary process, a list of [proposed amendments](#) has been put forward. Those specific to the LGPS include:

- LGPS investment in defence companies
- a requirement for employee representation on boards of LGPS asset pools
- requirements that LGPS scheme managers invest in ways that don't conflict with the UK's international-law obligations, and disinvest from fossil-fuel companies within five years

None of the proposed amendments are Government-sponsored, so their chances of success are low. In some cases, the MPs who tabled them don't expect their amendments to succeed: they're often just furthering debate on subjects. We don't yet have a date for the Report Stage, which is the final opportunity for amendment in the Commons. There will be more openings for proposed amendments when the Bill advances to the Lords.

Gender Pension Gap – what's the global picture?

Interest in the GPG continues to grow, with mandatory reporting likely to be introduced in England & Wales as part of each valuation cycle. As evidence emerges, the question will inevitably turn to 'what next?' Our [blog](#) examines how different countries are approaching the issue and explores the topics that LGPS funds and employers might consider when it comes to driving change.

Spotlight on consultations:

England and Welsh LGPS - Access and Protections

Hot on the heels of the Access and Fairness consultation earlier this year (and not to be confused with it!), MHCLG has launched a further [consultation](#) on a range of administration and benefits issues titled 'Access and Protections'. Topics covered include the change to the normal minimum pension age in April 2028, the readmission of councillors to the scheme, multi-academy trust consolidation and Fair Deal. Our [summary](#) provides a brief overview of the key proposals. You can hear more at our webinar on 11 November – please sign up [here](#). The consultation closes on 22 December; we'll be publishing a full briefing note and a draft consultation response in due course.

Scottish LGPS - benefits and administration

Later this month, on 25 November, the Scottish Government's consultation on administration and benefits issues will close. Topics covered include death grants after 75, the gender pensions gap, scheme opt-outs, changes to forfeiture rules and the McCloud remedy. Our [briefing note](#) describes the changes in detail and covers our initial reflections. We'll be circulating a draft of our consultation response ahead of the closing date.

Review of the State Pension age

We've prepared a 'firm-wide' [response](#) to the third State Pension age (SPa) review consultation. From an LGPS perspective, the key issue is that any increase in the SPa directly increases the scheme's normal retirement age. As the paper sets out, we encourage gradual change with long planning horizons for any changes to SPa,

to try and prevent cliff edges. We expect there to be transitional protections in place for those approaching retirement when any changes come in. Combining this with the Access and Protections consultation (see above), and the increase from 55 to 57 of the protected pension age, there is further change on the horizon for administrators to manage. It will be crucial for funds to clearly communicate changes and potential impacts to their employers and members.

Looking back on 2024/25 accounting

With most LGPS employers having received their 2024/25 accounting results, we hosted a [webinar](#) focusing on the key trends, and practical steps for employers. The session explored differences between funding and accounting valuations, highlighted what's changed since last year, and provided guidance on handling auditor questions. Asset ceiling considerations remain the most debated topic this year, so we have set out some background to increase employer understanding. For any questions relating to our webinar or any other LGPS accounting issue, please reach out to our specialists at LGPSCentralAccountingTeam@hymans.co.uk

Longevity update:

Research into ageing

As well as providing pension funds with longevity analysis, [Club Vita](#) regularly host webinars to explore emerging trends in longevity risk. In the latest episode of their popular "The Risk of Living Longer" webinar series, the panellists delve into ageing research – tracing its history, highlighting recent breakthroughs and discussing what the future might hold. If you missed the episode, you can catch up [here](#).

The UK's 'very old' population reaches record high

The latest estimates for 'very old' people (aged 90 years and over) have been [published](#) by the Office for National Statistics (ONS). They show that the UK now has an estimated 625,000 people aged 90 and over, a rise of over 50% since 2004. The number of centenarians has doubled in that time, reaching 16,600 in 2024. While women still make up the majority at older ages, the number of men aged 90+ has more than doubled over two decades (compared to a one-third increase for women) reflecting narrowing gender gaps in life expectancy.

Design Thinking – how to be smart on prototyping

Our digital guru, Chris Varley, has penned his penultimate [blog](#), looking at why prototyping is the smartest way to turn ideas into reality. He shows how quick, low-cost prototypes help teams learn fast, reduce risk, and create solutions that truly work for users. Read on to see how "just real enough" can make all the difference!

And from the world of Responsible Investment:

Staying afloat: Why ocean health is relevant to actuaries

Accounting for a \$24trn 'blue economy', our oceans are undeniably important – both economically and environmentally. But marine biodiversity is increasingly under threat from climate change, overfishing and pollution, which pose risks to the global financial system that we can't ignore. By integrating guidance and nature-based insurance approaches, we can help the financial sector understand the symbiotic relationship between ocean health and the global economy. Discover more about sustainable business practices in André Ranchin's [article](#), originally published in *The Actuary*.

Net Zero Investor Annual Conference 2025

One of our RI and impact specialists, Sanjay Joshi, spoke on the panel *Funding the Transition – Green Private Credit*. The discussion highlighted green private credit as a way to support companies driving solutions and those transitioning to a sustainable economy. Through an impact lens, Sanjay shared three insights:

- Differentiation matters – achieving impact requires a distinct approach
- Debt deserves attention – impact investing often favours equities, but debt can be equally effective; and
- Ratchets rarely drive strong impact – coupon adjustments are typically modest and unlikely to create meaningful impact.

You can read more about the conference [here](#).

Events, webinars & training

Access and Protections in the LGPS: understanding the proposals

As mentioned above, at 1:30pm on 11 November we're running a [webinar](#) 'Access and Protections in the LGPS: understanding the proposals', where our experts will explore this latest consultation. During the session, they will break down the key changes and proposals, provide initial thoughts on what this means in practice and offer practical guidance on how to engage with this consultation.

LGPS Pension Managers' Conference 2025

On 18–19 November in Torquay, this annual conference will provide a platform for discussions on the latest hot topics and key issues in the LGPS. Our own Steven Scott will be joining a panel during the event. You can find more details and the event link [here](#).

Pensions Expert Annual Conference 2025

On 26 – 27 November the Pensions Expert annual conference will be taking place at Pennyhill Park, Surrey. The day will focus on the implications of the shifts taking place across the UK pensions landscape, the investment strategies that will be necessary to deliver future performance, and whether lasting solutions can be found to retirement funding needs on a nationwide basis. Catherine McFadyen, our Head of Pensions, will join a panel session discussing the delivery of better pensions and investments in a world of policy and regulatory upheaval. You can find out more about this event [here](#).

LGC Investment Seminar Scotland

There were plenty of different subjects to whet the appetites of the delegates who attended the sold-out LGC Investment Seminar Scotland in Edinburgh. Our [conference highlights](#) rounds up the key sessions and discussions from the event including the latest insights on Scottish LGPS collaboration and structural reform, market risks, the 2026 valuations and gold!

In brief...

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to September 2025 at 3.8%, unchanged since July. This is expected to be the increase that is applied to LGPS pensions in payment from April 2026.

Pensions UK membership

The trade body has published a [report](#) about its consultation on changes to its subscriptions and membership categories. It plans to create a new membership category for LGPS funds, with the maximum fee remaining at £23,405, and linked to inflation. It may revisit the category '*when the future LGPS landscape is clearer*'.

Parliamentary Q&A's

It's been a busy period in Parliament for questions and answers about the LGPS. We've paraphrased some of the responses below from the MHCLG minister:

- [Ethical investments](#) – local authorities are responsible for their own investments and accountable to their electorate. LGPS committees set investment strategies, allowing for ESG factors and their fiduciary duty to scheme members and employers.
- [Staffing levels in local government](#) – the impact of changes in the number of active members and any redundancies will be taken into account as part of the valuation.
- [LGPS access for councillors and mayors](#) - the government intends to implement the proposals from the start of the 2026-27 financial year.
- [Fair Deal costs](#) - some one-off costs to service providers and authorities are expected, with savings over time due to improved risk-sharing arrangements, simpler administration etc.

Pensions Commission

Speaking at a Pensions UK event, Professor Nick Pearce said that the Commission plans to publish its interim report in spring 2026. The PC's aim is to explore long-term questions of adequacy and retirement outcomes and build on the findings of the [Pensions Investment Review](#).

Scheme Advisory Board (England and Wales) updates:

[Diversity of representation](#) – a [report](#) has been published, based on survey responses from 38 funds, covering demographic data (including EDI policies), and remuneration, tenure and turnover amongst LGPS Boards and Committees.

[Palestine Solidarity Campaign](#) – the SAB has [written](#) to the Local Government Minister to ask for the UK Government's view on the PSC's letter and position paper. This follows on from SAB's [further statement](#).

[CIPFA consultation](#) – a [response](#) to CIPFA's consultation on the Code of Practice on Local Authority Financial Reporting in the UK. Comments are limited to the proposed decoupling of local government pension fund accounts from those of their host administering authority.

[CMBDA meeting](#) – the latest meeting was held on 3 November and includes a [paper](#) about the local 2025 valuations. Areas covered include revised FSS guidance, falling contribution rates and academies' engagement.

Supporting growth through regulation

HM Treasury has published an [update](#) on its Regulation Action Plan, designed to reform the way that regulators work, so that they support economic growth. The Pensions Regulator is mentioned a few times – one aim is to identify burdensome requirements that don't contribute to improved member outcomes.

British Business Bank priorities

HM Treasury has [outlined](#) the BBB's strategic priorities for the next five years, including catalysing '*a change in culture among UK institutional investors to increase the percentage investing into UK scale-up companies*'.

The Pensions Ombudsman

TPO has published a [blog](#) looking back on the achievements of its Operating Model Review programme and its priorities going forward.

LGPS annual statistics

The MHCLG has released [statistics](#) on LGPS funds in England and Wales for the 2024/25 financial year. They cover income and expenditure, membership and employers, and retirements.

Data and Artificial Intelligence (AI)

The Pension Administration Standards Association (PASA) has published [guidance](#) that provides practical support to funds about the opportunities and risks of adopting AI within administration.

Scottish LGPS

The Scottish Scheme Advisory Board has published its [annual report](#) for 2023/24. It includes the work of the Board and various statistics about membership, contributions and investments.

Pension increases

The House of Commons Library has updated its [briefing paper](#) covering the requirement for public service pension payments to increase each April in line with prices.

Stewardship Code 2026

The Financial Reporting Council (FRC) has published its final [guidance](#) to support reporting under the updated Code.

Autumn Budget 2025

Rumours abound on what will be contained in the next Budget on Wednesday 26 November. Pensions UK issued a [letter](#) to the Chancellor outlining its views on various areas that affect the pensions industry.

Appendix

2025 valuations in England & Wales

<https://www.hymans.co.uk/insights/60-second-summary-local-authority-contribution-rates-at-the-2025-valuation>

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

ActuarialPublicEAMTeam@hymans.co.uk

Local investments - LGPS fund perspectives

<https://www.hymans.co.uk/insights/local-investment-in-the-lgps-fund-perspectives>

Progress on the Pension Schemes Bill

https://publications.parliament.uk/pa/bills/cbill/59-01/0255/amend/pensions_rm_rep_1022.pdf

Gender Pension Gap – what's the global picture?

<https://www.hymans.co.uk/insights/gender-pensions-gap-global-trends>

Spotlight on consultations

<https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections?>

https://www.hymans.co.uk/media/insj5vdh/access_and_protections_consultation_overview.pdf

<https://event.on24.com/wcc/r/5133894/8E790635DEAB94CB1EAD65B6257EF65B>

<https://www.hymans.co.uk/media/i5sjtp01/lgps-scotland-consultation-changes-to-lgps-scoland-regs-2018-briefing-note.pdf>

<https://www.hymans.co.uk/media/rppasns3/adequacy-begins-at-spa-publication.pdf>

Looking back on 2024/25 accounting

<https://www.hymans.co.uk/insights/202425-lgps-accounting-disclosures-understanding-your-results>

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Longevity update

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

<https://www.clubvita.net/uk/events/roll-s04-e01-aging-research>

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/bulletins/estimatesofheveryoldincludingcentenarians/2002to2024>

Design Thinking – how to be smart on prototyping

<https://www.hymans.co.uk/insights/design-thinking-for-the-lgps-stage-four-prototype-making-it-real-without-making-it-perfect>

And from the world of Responsible Investment

<https://www.theactuary.com/2025/09/03/staying-afloat-why-ocean-health-relevant-actuarial>

<https://www.netzeroinvestor.net/news-and-views/nzi-annual-conference-2025-the-transition-is-gaining-pace>

Events, webinars & training

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<https://swcouncils.gov.uk/events/pension-managers-conference/>

<https://www.dgpublishing.com/pensions-expert-annual-conference/agenda/>

<https://www.hymans.co.uk/media/k1fm5nom/lgc-investment-seminar-scotland-2025.pdf>

In brief...

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2025>

<https://www.pensionsuk.org.uk/Portals/0/Documents/Governance/2025/Subscriptions-review-report-on-consultation-Oct-2025.pdf>

<https://questions-statements.parliament.uk/written-questions/detail/2025-09-16/77689>

<https://questions-statements.parliament.uk/written-questions/detail/2025-10-13/81543>

<https://questions-statements.parliament.uk/written-questions/detail/2025-10-20/83561>

<https://questions-statements.parliament.uk/written-questions/detail/2025-10-23/84638>

[https://www.gov.uk/government/publications/pensions-investment-review-final-report#:~:text=The%20Final%20Report%20sets%20out%20the%20conclusions%20of%20the%20Pensions,\(D C\)%20workplace%20pensions%20market.](https://www.gov.uk/government/publications/pensions-investment-review-final-report#:~:text=The%20Final%20Report%20sets%20out%20the%20conclusions%20of%20the%20Pensions,(D C)%20workplace%20pensions%20market.)

<https://www.lgpsboard.org/images/Other/PDFUnderstandingdiversityintheLGPSandPeerSupport2.pdf>

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<https://www.lgpsboard.org/images/Guidance/PSC%20Board%20LGPS%20statement%2018%20September%202025.pdf>

https://www.lgpsboard.org/images/Responses/10102025_Audit_Consultation_SAB_response.pdf

https://www.lgpsboard.org/images/CMBDA/03112025_Item9PaperD_LocalFundValuations2025.pdf

<https://www.gov.uk/government/publications/a-new-approach-to-ensure-regulators-and-regulation-support-growth/new-approach-to-ensure-regulators-and-regulation-support-growth.html>

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<https://www.pensions-ombudsman.org.uk/news-item/operating-model-review-202526-flying-start>

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<https://www.pasa-uk.com/press-release-pasa-publishes-new-data-for-ai-guidance-to-help-the-industry-embrace-innovation-responsibly/>

<https://lgpsab.scot/annual-report-2023-2024/>

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<https://www.pensionsuk.org.uk/Portals/0/Documents/Policy-Documents/2025/Pensions-UK-Autumn-Budget-submission-2025.pdf>



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