

Current issues in the LGPS

June 2025



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A response to one long-awaited investment and governance consultation, and a brand-new consultation about benefits and administration, will affect pretty much every function that funds run in England and Wales. Other things occupying the mind are the 2025 valuations and the formation of new committees, following local election results earlier last month. And, if you're hankering for something a bit different, our resident digital expert urges you to put on your Design Thinking cap!

Preparing to get fit for the future ...

At long last, we have the Government's [response](#) to the 'LGPS: Fit for the future' consultation launched last November, coming alongside the final [report](#) for the Pensions Investment Review. Our [Briefing Note](#) summarises the key takeaways from the consultation, covering pooling, local investment and governance, where Government largely confirmed its intention to implement the initial proposals. Legislation to implement the reforms, which affect LGPS funds in England and Wales, is contained in the [Pension Schemes Bill](#). You can view its progress through the House of Commons, followed by the House of Lords, [here](#). The Government has also published a [roadmap](#) to accompany the reforms.

LGPS 'Access and fairness' consultation

MHCLG is consulting on draft [Local Government Pension Scheme \(Miscellaneous Amendments\) Regulations 2025](#), which covers a number of proposals relating to pension benefits for LGPS members in England and Welsh funds. The consultation contains several long-awaited measures that address inequalities within the current scheme design. Key areas include:

- Backdated changes that mean that all survivors get benefits calculated in the same way.
- Removal of the age 75 cap for paying death grants.
- Measures to make buying back periods of unpaid leave simpler and cheaper.
- Making all periods of maternity leave automatically pensionable.
- Recording and reporting processes for members who opt out.
- Measure to close loopholes in the process for employers to recover pension rights following misconduct.

The consultation closes on 7 August 2025. Please look out for our upcoming Briefing Note on the subject which may help you to frame your own fund's response.

New Committees – new training plans!

For those administering authorities that have had local elections, we expect you will now have a new group of Councillors as part of your Pension Committee. Officers will be assessing the fund's training strategy, training plans and implementation actions. This work is set against a backdrop of expected 'good governance' measures and, for some funds, a training engagement challenge. We've seen some excellent innovation around this area of engagement. If you would like training support, induction presentations or a sounding board to discuss your current knowledge and skills position, please contact Andrew McKerns (andrew.mckerns@hymans.co.uk). And your usual contact at Hymans should have shared our 'Brief Guide to the LGPS 2025' – please feel free to add this introductory booklet to your fund's induction pack.

Spotlight on local investment:

- **Asset classes** - this rewarding work can be relatively straightforward with a considered approach. We've examined two routes to consider for local investment: investing in [real assets](#) and in [private companies](#). This might be new to most funds, but local investment can create positive investment outcomes and build better futures for local people and communities at the same time. To learn from Greater Manchester Pension Fund, it's worth [listening](#) to a recent podcast where Paddy Dowdall gives the lowdown on GMPF's local investment journey and things they've learned along the way. The focus on local investment is clear.
- **Survey** - if recent client, peer and broader discussions are anything to go by, we believe there's value in collating attitudes, plans and perceived challenges among LGPS funds in England and Wales. That's why we've launched *The LGPS and local investment: fund survey*. The survey closes on 12 June. We'll share early access to this valuable report with responders so please do get in touch with your Hymans consultant to share your views or [take part here](#). It should only take about 8-10 minutes.

Spotlight on 2025 valuations:

- **'D' is for Data!** - funds in England & Wales are now beginning to submit data for the 2025 actuarial valuations. This is a critical step in the valuation process and a large time commitment for officers involved. To help make things a little easier, we have refreshed our help guides and created brand new data mini-masterclass videos – bite sized tutorials on how to upload your data – which are now all available on our Data Portal. And...if you run into any trouble you can get in touch directly with one of our team of data boffins at LGPSCentralValuationTeam@hymans.co.uk.
- **SAB statement** - the Scheme Advisory Board (SAB) released a [statement](#) on 28 May to help administering authorities manage the valuation process. The statement delves into some of the challenges and expectations for funds in 2025 around balancing risks, stakeholder needs and on the importance of transparent decision making. Please speak to your fund actuary if you have any questions.

2026 valuations – the countdown begins!

Who says England & Wales should have all the fun?! With the 2026 valuations in Scotland now less than a year away, funds are turning their attention to pre-valuation planning to put themselves in the best position for a smooth and successful experience. We have seen funds across England & Wales reaping the benefits of early preparation, and we expect Scottish funds will do more of the same. Over the coming months we will be helping Scottish funds with planning and pre-valuation work to start ticking off jobs well ahead of the 2026 valuation – freeing up time for officers to focus on other business-as-usual tasks. Get in touch with your Hymans contact to get the party started.

The annual LGPS report card

The SAB in England and Wales has published its latest annual [report](#), covering the year to 31 March 2024. The report covers a host of areas that can be accessed via the links on the right-hand side of their webpage. For example, the 'Governance and Training' section marks funds' annual reports for their compliance against governance requirements, administration requirements and reporting of KPI's. There are plenty of useful scheme-wide statistics too e.g. almost 7m members, circa 15,000 employers, £390bn of assets, 17% of total assets invested in the UK across listed equity/gilts/infrastructure/private equity. The 'Financial Performance' section includes Club Vita's latest LGPS Life Expectancy Index chart; data shows that life in expectancy in retirement (for a LGPS member aged 65) is now above 20 years for both males and females for the first time, with the gender gap in life expectancy narrowing to 2.7 years.

Signing off March employer accounting reports

With actual returns to 31 March 2025 being signed off across LGPS funds, many employers have requested revised IAS19 and FRS102 reports that remove any element of asset value estimation. These requests may have been amplified by the significant market volatility experienced over the last quarter of the financial year. Additionally, employers now have a better understanding of their net asset restrictions (the 'asset ceiling') and are asking for adjustments to their positions before finalising their accounts. If you would like to request a revised report making allowance for actual investment returns or a known net asset adjustment, please get in touch with LGPSCentralAccountingTeam@hymans.co.uk

Dig out your Design Thinking cap

Curious about how better design drives better outcomes? Following his presentation at the LGPS conference, Chris delves into the world of [Design Thinking](#) and breaks down the essentials of a human-centred approach to innovation. It's a quick, but thought-provoking read that might just change how you approach your next project.

Events, webinars & training

Hymans LGPS conference

On 21 May we invited fund officers from across the UK to step away from their day job and join us in Edinburgh at our conference. We chose to explore the LGPS from the perspective of those who work within it, benefit from it and are impacted by it: employers, members, committees, local investment and communities and, of course, officers themselves. Exploring key challenges and opportunities we examined what matters in today's context. It was great to have such important conversations and insights from our expert speakers and delegates. Thank you to everyone who joined us. Look out for our conference highlights publication and video coming soon.

PLSA Local Authority Conference

We're looking forward to attending the PLSA Local Authority Conference on 16- 18 June. Iain Campbell and Andrew Johnston will be delivering a valuable session alongside Jo Kempton, Head of Lincolnshire Pension Fund. Together, they'll be discussing the importance of partnering with your pool and exploring how to build a future of effective collaboration and good governance to help meet increasing expectations, fiduciary duty, and further regulatory changes. Catch our delegates there for a chat and look out for our post event conference highlights.

Webinar: Demystifying accounting disclosures for LGPS academies

Join Craig Alexander and Adrian Loughlin on Monday 30 June for a webinar aimed at helping LGPS academies make sense of their upcoming LGPS accounting disclosures on 31 August 2025. Designed specifically for academies in the LGPS, our accounting experts will cover:

- The differences between your LGPS funding and FRS102 accounting valuations
- How your accounting figures are determined
- What's changed in the accounting environment since 31 August 2024
- Why you might have to restrict your balance sheet position because of an 'asset ceiling'

Register by following the link [here](#). This webinar is suitable for academies within the LGPS with responsibilities for finance, HR, and operations. Please do share with any of your colleagues who would be interested in attending. Don't worry if you (or they) can't join live, [sign up anyway](#), the webinar will be available on-demand.

Webinar: Examining the Government's response to 'The LGPS: Fit for the Future' consultation

Following the recent Government update, we're hosting a webinar on 10 June to explore the proposals. Kate Dickson, Iain Campbell and Ian Colvin, will provide context to the updates and discuss short-term considerations, while taking a longer-term view on what it means for the LGPS. As always, our panellists will welcome your questions on the 'Fit for the Future' consultation and recent Government response. [Register here](#) to join us for what promises to be a lively and valuable discussion. Don't worry if you can't join live, [sign up anyway](#) and you'll be able to access the webinar on-demand, at a time convenient to you.

In brief...

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to April 2025 at 3.5%, a sizeable increase relative to the 2.6% recorded in the prior month. RPI for the same period was 4.5%.

Pensions dashboards

WPC queries: The House of Commons Work and Pensions Committee has [raised](#) several queries with the Pensions Minister.

AVC's: The Pensions Administration Standards Associations (PASA) has released an [AVC Toolkit](#) for schemes with multiple administrators that will need to connect to the pensions dashboards system.

Devolution

A Parliamentary question about the impact of local government restructuring on upfront LGPS costs relating to redundancy and early retirement has been [answered](#) by the Pensions Minister. The reply mentions that responsibility for meeting transition costs should come from existing budgets and reorganisation efficiencies.

Mansion House Accord

HM Treasury, alongside the Chancellor and the Pensions Minister, has issued a [press release](#) claiming that up to £50bn of investment for UK businesses and infrastructure is set to be unlocked from Britain's biggest pension funds. The Accord is mentioned several times in the Government's final Pensions Investment Review report (see article on the first page).

LGPS asset pooling

The SAB in England and Wales [wrote](#) to the Pensions Minister and Local Government Minister about its concerns over the pace of change set out in recent letters to the eight investment pools (the Government has subsequently reiterated the 31 March 2026 deadline in its *'Fit for the future'* consultation response).

Fiscal risks

The Office for Budget Responsibility (OBR) has [said](#) that its *Fiscal Risks and Sustainability 2025* report, due on 8 July, will have a chapter on pensions, covering State pension costs, retirement-income adequacy, and the structure of the gilt market.

Innovation support

The Pensions Regulator has [announced](#) a new innovation-support service, a forum through which those with ideas for new products can obtain TPR's views at an early stage.

Identity management

The Pensions Administration Standards Association (PASA) has published [guidance](#) on protecting identities during high-risk events. It highlights the events where there's the greatest risk of fraud, and the ID-related steps that can mitigate it.

Stewardship Code

A [new version](#) of the FRC's Code will take effect from 1 January 2026. It has an updated definition of stewardship that emphasizes long-term value creation, a reduced and more-targeted set of principles, more flexibility over reporting, and new supporting guidance with tips and examples. An 'At A Glance' [document](#) has also been released as a high level summary.

Virgin Media ruling

In reaction to the above judgment, the Department for Work and Pensions (DWP) has [announced](#) that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standard.

Appendix

Preparing to get fit for the future ...

<https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-fit-for-the-future/outcome/local-government-pension-scheme-england-and-wales-fit-for-the-future-government-response>

<https://www.gov.uk/government/publications/pensions-investment-review-final-report>

<https://www.hymans.co.uk/media/hwuk3jn0/hymans-robertson-the-government-s-response-to-the-lgps-fit-for-the-future-consultation.pdf>

<https://publications.parliament.uk/pa/bills/cbill/59-01/0255/240255.pdf>

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

https://assets.publishing.service.gov.uk/media/68419b73578282a4b102c097/workplace_pensions_roadmap.pdf

LGPS 'Access and fairness' consultation

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

New Committees – new training plans!

<mailto:andrew.mckerns@hymans.co.uk>

Spotlight on local investment

<https://www.hymans.co.uk/insights/local-investment-in-real-assets>

<https://www.hymans.co.uk/insights/local-investment-in-private-companies>

<https://www.hymans.co.uk/insights/investment-local-investment-with-impact>

<https://analytics-eu.clickdimensions.com/hymanscouk-atwsv/pages/zphxqtgjcmtwbfbvq0whw.html?PageId=41f19166a331f0118c4d6045bd0d3087>

Spotlight on 2025 valuations:

<mailto:LGPSCentralValuationTeam@hymans.co.uk>

https://lgpsboard.org/images/Guidance/SAB_Statement_on%20the%202025%20Actuarial%20Valuation%20FINAL%20.pdf

The annual LGPS report card

<https://www.lgpsboard.org/index.php/sar24>

Signing off March employer accounting reports

LGPSCentralAccountingTeam@hymans.co.uk

Dig out your Design Thinking cap

<https://www.hymans.co.uk/insights/design-thinking-for-the-lgps-practical-tools-for-better-outcomes>

Events, webinars & training

<https://event.on24.com/wcc/r/4977739/6E41A69B3BCD0CF5685ACB8569AF9D97>

<https://event.on24.com/wcc/r/4984256/D75313ECDBC5D080DC7B521C3915FD53>

In brief...

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

<https://committees.parliament.uk/publications/47797/documents/249668/default/>

<https://www.pasa-uk.com/pasa-dashboards-working-group-releases-avc-toolkit-may-2025/>

<https://questions-statements.parliament.uk/written-questions/detail/2025-04-29/48973>

<https://www.gov.uk/government/news/pension-schemes-back-british-growth>

[https://lgpsboard.org/images/MinisterialLetters/May 2025 letter on pooling.pdf](https://lgpsboard.org/images/MinisterialLetters/May_2025_letter_on_pooling.pdf)

<https://obr.uk/fiscal-risks-and-sustainability-2025-due-8-july/>

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2025-press-releases/new-support-will-help-unlock-pensions-industry-innovation-to-boost-saver-outcomes>

<https://www.pasa-uk.com/wp-content/uploads/2025/05/PASA-IDV-User-Guide-FINAL.pdf>

[https://media.frc.org.uk/documents/UK Stewardship Code 2026.pdf](https://media.frc.org.uk/documents/UK_Stewardship_Code_2026.pdf)

[https://media.frc.org.uk/documents/UK Stewardship Code 2026 at a glance.pdf](https://media.frc.org.uk/documents/UK_Stewardship_Code_2026_at_a_glance.pdf)

<https://www.gov.uk/government/news/retrospective-actuarial-confirmation-of-benefit-changes>

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