

Current issues in the LGPS

October 2025



Richard Warden
Partner

Actuarial valuations, pooling, devolution, dashboards and the Pension Schemes Bill – as ever, plenty to keep the LGPS occupied as we enter the second half of the fiscal year.

Spotlight on the actuarial valuations:

2025 valuations in England and Wales: Early insights and employer engagement

Having reached the half-way point in the valuation year, initial results are emerging. Our recent [webinar](#) showed positive headlines with the LGPS remaining in a strong position, although results across funds will be varied due to the impact of actual experience and beliefs about the future. As a follow up to the webinar, we also produced a [briefing note](#) giving more details. The next step in the valuation journey is employer results; clear messaging on outcomes will be important to help funds cut through the noise. Look out for the next webinar in our valuation series which will focus on employer engagement. And talking of employers...

Engaging with academies at the 2025 valuations

As we get closer to the employer results stage, funds are starting to hear more from academy schools. This may have been triggered by a recent [article](#) in the Education trade press. We would encourage funds to actively consider how to engage this employer group – for many it will be their largest (by number) – when communicating the 2025 valuation results. The Department for Education also recently ran a “Power Hour” [session](#) for academies, focussing on the 2025 valuations. All four actuarial firms who advise LGPS funds presented. The DfE is happy (in fact, keen!) for funds to share this with their academy employers.

Scottish ‘Section 13’ report (2023 valuations)

The Government Actuary’s Department (GAD) has published its national section 13 valuation [report](#) on the 2023 round of local Scottish LGPS valuations. The report reviews the local valuations against four key criteria (compliance, consistency, solvency, and long-term cost efficiency). No funds were flagged under these criteria; however, GAD has made general recommendations to form future reviews. Whilst we agree with the principles of this Section 13 analysis, there are some elements of the report where we will continue to engage with GAD to represent the best interests of LGPS stakeholders. If you have any questions about this report, or your own fund’s analysis, please speak to your usual Hymans consultant.

Devolution – the first proposals are in

Local Government Devolution isn't just about bins and social care; it will have a significant impact on the LGPS too. The question is, how close are you to the decisions being made? Do you know who the administering authority is likely to be? What changes may be made to participating employers? The priority areas have now submitted their final proposals, with the remainder due in a couple of short months. Check out our blog [here](#) for our latest thinking on this important topic.

Dashboards – think to the future

By now all LGPS funds will be joining the ecosystem. But what happens next? We've published a blog [here](#) which looks at lessons from the continent and outlines some points for consideration by Boards and Committees in the year ahead. Within the LGPS the only constant seems to be changes so early planning is going to be vital to keep on top of everything.

Pension Schemes Bill

A lot has been going on with the government's reforms of the LGPS and the progress of the Pension Schemes Bill as it winds its way through the parliamentary process. Our own Robbie McInroy spoke at the LGA's latest 'LGPS Live' webinar on 1 October, discussing the competing requirements being placed on the LGPS, including surplus management, local investment and pooling. You can watch the recording [here](#). Robbie also provided [evidence](#) on the Bill to MPs at the scrutiny committee stage. Following this, several amendments were made, most notably the removal of proposed powers for government to direct pools to make specific investments and the inclusion of the Scottish LGPS within the Bill.

Wrapping up 2025 accounting

As further education bodies and academies begin to receive their year-end FRS102 accounting results, we are seeing questions from employers and their auditors seeking to further understand the movement in their balance sheet from one year to the next. To help employers digest their results and give context to the current accounting landscape, we are running a 2025 accounting "wrap-up" webinar on 21 October. This is relevant for all types of LGPS employers and other stakeholders who are looking to increase their knowledge of pension accounting. To attend this webinar, please register [here](#). If you have any questions in the meantime, please reach out to our specialists at LGPSCentralAccountingTeam@hymans.co.uk.

Still Hot and Bothered?

Earlier this year, our fund actuaries shared an LGPS-focused version of Club Vita's research about how climate change could reshape future longevity patterns. Club Vita has now released an updated version, offering broader insights into climate-related longevity trends for pension funds and insurers in the pensions market. Vita's paper includes new analysis on how climate change impacts may vary across socio-economic groups. You can download the updated paper [here](#).

Events, webinars & training

Pensions UK Annual Conference 2025: 2030 Ready

We're hoping to meet up with many of you at [this year's conference](#) in Manchester, 14 - 16 October. Ian Colvin will be joining industry experts for a panel session called '*Ofsted For Local Authorities? The Future of LGPS Governance*'. They'll explore the practicalities of the triennial independent governance reviews, how these reviews will happen and who might take them on.

LGC Investment Seminar Scotland: 30 – 31 October, Edinburgh

As we move towards the 2026 LGPS valuations in Scotland, we've been analysing the data and developing our thinking around surplus management. With LGPS funds likely to enter a valuation year in strong funding

positions for a second time, we're helping to prepare and have meaningful conversations with stakeholders. Richard Warden will be joining his fellow namesake, Richard (McIndoe), from Strathclyde Pension Fund to discuss the topic on 31 October in a session called 'Valuation Outlook: Strategy, Surpluses & What's Next'. The [event](#) is being chaired by our colleague Ben Farmer. We look forward to seeing many of you over the two days.

In brief....

Councillor pensions

The Government has [announced](#), at its party conference, that councillors in England will become eligible again to join the LGPS

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to August 2025 at 3.8%, unchanged from the prior month. RPI for the same period was 4.6%.

Pension administration

The Pensions Management Institute (PMI) has [announced](#) the inaugural meeting of a new strategic forum called the Administration Industry Group, with the goal of raising standards in pensions administration. It includes representatives from oversight bodies, such as TPR and PASA, and third-party administrators, such as Hymans.

The Pensions Regulator (TPR) updates:

Tackling fraudsters: a [blog](#) about the rise of fraudsters using hacked data to access older members' pension accounts. It calls on pension schemes to tighten security, report incidents, and make members aware of the risks and what steps they can take to reduce them.

Administrator relationships: a market-oversight [report](#) on TPR's engagement with 15 administration providers. It found '*encouraging signs of progress*' on strategy and resilience, but highlights remaining challenges on changes to regulatory requirements, technology, staffing, data, and cyber security.

Enforcement strategy: a [consultation](#) is proposing an update to how TPR approaches enforcement. The consultation period runs from 16 September to 11 November 2025.

New minister at MHCLG

[Alison McGovern](#) was confirmed as the replacement for Jim McMahon, effective from 6 September, with her remit including LGPS issues.

Local investments:

White paper: The Good Economy, an impact advisory firm, has issued a [white paper](#) in collaboration with seven LGPS pools in England and Wales. The paper sets out how LGPS capital can be channelled to support local priorities while capturing the scale and efficiency of pooling.

Parliamentary Q&A: a [response](#) from the new MHCLG minister to a question about progress on LGPS reform. It mentions that both the Pensions Schemes Bill and the [English Devolution and Community Empowerment Bill](#) (see clause 41) include new reciprocal duties on LGPS funds and strategic authorities to cooperate to identify and develop appropriate local investment opportunities.

Inheritance tax (IHT) on pensions

The House of Lords Finance Bill Sub-Committee has [called for evidence](#) on the draft clauses for the Bill, including the proposed changes to the IHT treatment of pensions. The deadline for submissions is 7 October 2025.

Pension dashboards:

New guidance - the PASA Dashboards Working Group, in conjunction with the Pensions Dashboards Programme, has produced [guidance](#) entitled '*Dashboards Toolkit: Use of Warnings and Unavailable Codes*', covering cases in which trustees and administrators are unable immediately to provide accurate values in response to requests coming via dashboards.

Briefing paper - the House of Commons Library has updated a [briefing paper](#) which considers how dashboards are being developed to enable people to access information about their pensions online.

Scheme Advisory Board (England and Wales) updates:

Palestine Solidarity Campaign – an updated statement to administering authorities has been [published](#) on responses to the PSC's August 2025 position paper. It advises LGPS funds to carefully consider their fiduciary duties and responsible-investment policies, as well as the need for balanced, inclusive communication.

SAB website – the SAB is looking for volunteers at funds to take part in user testing of its proposed new website. Interested parties should contact the [SAB Secretariat](#).

Maple 8

Pensions UK has [published](#) a research paper examining the key similarities and differences between the LGPS and the 'Maple 8' (a colloquial term for the eight largest public pension funds in Canada).

Tax-free pension lump sums

HMRC's latest [Pension Schemes Newsletter](#) confirms that the tax consequences of taking a pension commencement lump sum (PCLS) cannot be reversed by paying back the lump sum. This relates to members being panicked into action by pre-Budget press speculation that tax-free lump sum rights might be curtailed. The FCA has released its own [statement](#) on the subject.

Survey of occupational pension schemes

The Office for National Statistics (ONS) has published a [survey](#) covering the ups and downs of pensions investment over the period October 2024 to March 2025. Section 5 includes commentary about assets in public sector defined benefit schemes.

Pensions tax advice

The Society of Pension Professionals (SPP) has [published](#) a response to draft legislation (consultation [here](#)) relating to modernising and mandating tax adviser registration with HMRC. The response identifies two key concerns with the legislation, namely the proposed definition of "tax adviser" and therefore the scope of the legislation and the current omission of any exemption for pension professionals.

Appendix

2025 valuations in England & Wales: Early insights and employer engagement

<https://www.hymans.co.uk/insights/2025-lgps-valuations-unveiling-initial-results-and-early-insights>

<https://www.hymans.co.uk/insights/2025-lgps-valuations-insights-into-emerging-results>

Engaging with academies at the 2025 valuations

<https://schoolsweek.co.uk/the-windfall-that-could-save-schools-a-fortune/>

<https://www.youtube.com/watch?v=gjNYzmA8v-U&list=PLXjcCX3hH9LXibnAwsVvbxwzpJeTJ5Sjh>

Scottish ‘Section 13’ report (2023 valuations)

<https://www.gov.uk/government/publications/local-government-pension-scheme-scotland-section-13-report-as-at-31-march-2023>

Devolution– the first proposals are in

<https://www.hymans.co.uk/insights/local-government-reorganisation-and-devolution-but-will-it-get-my-bins-collected>

Dashboards – think to the future

<https://www.hymans.co.uk/insights/pensions-dashboards-think-to-the-future>

Pension Schemes Bill

<https://lgps-live.com/nextwebinar/>

<https://parliamentlive.tv/event/index/4cfa40b4-ed01-41ae-b335-8a4c64b0a9fb?in=14:02:35>

Wrapping up 2025 accounting

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

Still Hot and Bothered?

<https://www.clubvita.net/uk/news-and-insights/still-hot-and-bothered>

Events, webinars & training

<https://www.pensionsuk.org.uk/Events/Conferences/Annual-Conference/Programme>

<https://investmentseminarscotland.lgcplus.com/2025/en/page/programme>

In brief....

<https://www.localgov.co.uk/Labour-conference-Reed-puts-councillors-back-into-LGPS/63141>

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

<https://www.pensions-pmi.org.uk/resources/pmi-news/the-pmi-convenes-new-administration-industry-group-to-champion-standards-and-drive-systemic-reform/>

<https://blog.thepensionsregulator.gov.uk/2025/09/10/taking-the-fight-to-impersonation-fraud-what-industry-must-do-to-protect-savers/>



<https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/market-oversight-administrator-relationships>

<https://www.thepensionsregulator.gov.uk/en/document-library/consultations/enforcement-strategy-consultation/new-approach-to-enforcement-consultation-document>

<https://www.gov.uk/government/people/alison-mcgovern>

<https://thegoodeconomy.co.uk/place-based-impact-investing/white-paper/>

<https://questions-statements.parliament.uk/written-questions/detail/2025-09-04/75320>

<https://publications.parliament.uk/pa/bills/cbill/59-01/0283/240283.pdf>

<https://committees.parliament.uk/committee/230/finance-bill-subcommittee/news/209304/finance-bill-subcommittee-launches-call-for-evidence/>

<https://www.pasa-uk.com/wp-content/uploads/2025/09/Dashboards-Toolkit-Warnings-Unavailable-Codes-September-2025-FINAL.pdf>

<https://commonslibrary.parliament.uk/research-briefings/cbp-8407/>

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

SABSecretariat@local.gov.uk

<https://www.pensionsuk.org.uk/Policy-and-Research/Document-library/Evaluating-Pensions-Models-The-Maple-8-and-the-LGPS-in-Focus>

<https://www.gov.uk/government/publications/pensions-schemes-newsletter-173-september-2025/newsletter-173-september-2025>

<https://www.fca.org.uk/news/statements/tax-free-pension-lump-sums-cancellation-rights>

<https://www.ons.gov.uk/economy/investmentpensionsandtrusts/bulletins/fundedoccupationalpensionschemesintheuk/october2024tomarch2025#private-sector-defined-contribution-and-public-sector-defined-benefit-and-hybrid-pension-scheme-assets>

<https://the-spp.co.uk/wp-content/uploads/SPP-Response-on-Tax-Adviser-registration-proposals-15.9.25.pdf>

<https://www.gov.uk/government/consultations/raising-standards-in-the-tax-advice-market-strengthening-the-regulatory-framework-and-improving-registration/raising-standards-in-the-tax-advice-market-strengthening-the-regulatory-framework-and-improving-registration>



London | Birmingham | Glasgow | Edinburgh

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

This communication has been compiled by Hymans Robertson LLP® (HR) as a general information summary and is based on its understanding of events as at the date of publication, which may be subject to change. It is not to be relied upon for investment or financial decisions and is not a substitute for professional advice (including for legal, investment or tax advice) on specific circumstances. HR accepts no liability for errors or omissions or reliance on any statement or opinion. Where we have relied upon data provided by third parties, reasonable care has been taken to assess its accuracy however we provide no guarantee and accept no liability in respect of any errors made by any third party.

Hymans Robertson LLP is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

© Hymans Robertson LLP 2025. All rights reserved.