

# Current issues in the LGPS

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Consultations continue to take centre stage in the LGPS. We discuss the changes proposed to encourage access and fairness. In other business, a new Stewardship Code is coming and funds across the UK are either in the throes of a valuation year or planning for their next one.

## Hymans LGPS Conference

On 21 May, we welcomed officers from LGPS funds across the UK for our LGPS conference, 'Together, focusing on LGPS stakeholders' held in Edinburgh. We invited them to step away from the day job and explore the LGPS from the perspective of those who work within it, benefit from it and are impacted by it. The day was filled with informative sessions and lively discussions giving sharp focus on stakeholders and what truly matters to them now. We covered a lot of ground from balancing employers' needs through to designing for humans to improve LGPS stakeholder experience. Access our conference highlights document and reel [here](#).

## Aiming for more access and fairness in the LGPS

The government launched a [consultation](#) in May on a range of administration and benefits issues for LGPS England and Wales. Its central aim is to improve access and fairness. Our [Briefing Note](#) describes the proposals and includes initial thoughts on how they could work in practice. It's clear there is a lot of complexity, and the implementation timings will need to be carefully considered by the government to ensure the changes are manageable. We also plan to share a draft consultation response with clients in July. The consultation closes on 7 August.

## Register now for our upcoming LGPS salary survey!

Resourcing remains an ever-present on the list of challenges LGPS funds face. We'll shortly be undertaking a survey on LGPS salary data. The results will give LGPS funds access to a rich bank of LGPS specific information on salaries and wider benefits packages, to provide meaningful benchmarking for the roles of those involved in running funds. If you would like to know more, please read our recent [blog](#). And if you would like to register your interest, please get in touch with [Con Hargrave](#) or [Claire McDines](#).

## Spotlight on Responsible Investment:

### Changes ahead to the Stewardship Code

The Financial Reporting Council (FRC) recently [published](#) an updated UK Stewardship Code. It'll be effective from 1 January 2026, so signatories should approach 2025 reporting as usual this year. The changes are

intended to modernise, with a reduction to the reporting burden and a focus on effective stewardship. Once 2025 reports are submitted, signatories can begin early planning for their first submission under the updated Code in 2026, allowing plenty of time to implement changes to retain their status. This offers an opportunity for investors to refocus their stewardship efforts. Our [blog](#) explains more about what this means for signatories.

### **Our 2024 Stewardship Code Report**

The FRC gives organisations the opportunity to become signatories to its Stewardship Code every year. Now in our fifth year of formally reporting on stewardship activity, our in-depth [report](#) contains case studies, explores our areas of focus and key highlights from the year. We also shine a spotlight on biodiversity and natural capital, something that's of particular interest to many LGPS funds. We hope you find the report helpful in illustrating our commitment and progress throughout the year.

### **Introducing Hymans Engage!**

In recent months, asset managers have become less vocal on several issues, including climate change. But the stewardship efforts of asset managers on behalf of investors are vital to encourage sustainable long-term value creation – and they should be aligned with the expectations and interests of the investor. Our new service, [Hymans Engage](#), is designed to improve your stewardship goals. It involves meeting with managers to encourage improved practices, with a focus on climate risk – specifically, how asset managers approach climate risk, develop tools, help finance climate solutions and influence change. We welcome your support with this service and would be happy to share insights to enhance your engagement framework.

## **Spotlight on the actuarial valuations:**

### **England and Wales (2025)**

#### **The valuations are underway!**

The first set of 2025 valuation membership data has landed(!), with several others following closely behind. LGPS funds will be reaping the benefits of the preparatory work carried out over the past year, with initial valuation results expected to be issued this month. Over the coming months, each fund will be reviewing its Funding Strategy Statement, considering the 2025 valuation funding framework and communicating the valuation results to employers and other stakeholders. Our upcoming webinar will focus on how to set your funding framework and include insights into the direction of travel across the funds we advise.

#### **Section 13 valuation**

Engagement between the Government Actuary's Department (GAD) and fund actuaries about the national 2025 Section 13 valuation has commenced in recent weeks. Currently GAD's focus is on understanding the metrics it will be using for Section 13; they will be focussing on how funds are managing surpluses within contribution rates and ensuring fairness between different employer groups. GAD has also stated a desire to produce its final report earlier than previous valuations, and as such will not be requiring funds to submit membership data as at 31 March 2025 (one less job on the to-do list!). We will keep funds up to date as more information emerges over the coming months.

### **Scotland (2026)**

#### **Planning ahead**

Preparations for the 2026 valuations are also underway with Scottish LGPS funds already considering their valuation plans. Our Data Portal has been updated to accept the McCloud extract and funds can start to carry out data cleansing at any time. In addition, later this year we will be focusing on setting contribution rates for

Councils to help with their financial planning and setting the valuation assumptions ahead of the 2026 valuation date.

### **Section 13 valuation**

We understand that the 2023 Section 13 valuation results report for LGPS Scotland is currently being finalised by the GAD. The next stage in the process is for GAD to engage with any funds where further information may be required to support their final conclusions and report. This engagement is typically done via the Fund Actuary. Your actuary will be in touch if they hear anything from GAD.

### **Spotlight on accounting:**

#### **Warming up for 2025 summer accounting**

Against the backdrop of a heatwave across the UK, our accounting specialists held a webinar on 30 June aimed at LGPS academies, to talk through some 'hot topics' for the August 2025 accounting exercise. This can be watched on-demand [here](#) and is useful for academies looking to understand the options available to them this year-end. For any questions about the reporting options for academies, please get in touch with us at [LGPSCentralAccountingTeam@hymans.co.uk](mailto:LGPSCentralAccountingTeam@hymans.co.uk).

#### **SORP changes**

The Pensions Research Accountants Group (PRAG) is looking for comments on [proposed amendments](#) to the Statement of Recommended Practice, Financial Reports of Pension Schemes 2025 (otherwise known as the SORP). It's being updated following the most recent review by the FRC of FRS102, which aims to take account of legislative and regulatory changes and refine the disclosure of pension scheme investment strategies.

### **Design Thinking – be empathetic**

Following on from his scene-setting [blog](#) last month, our LGPS digital guru Chris is now exploring each of the five stages of Design Thinking. His latest [blog](#) looks at the "Empathy" stage - understanding what your members and other stakeholders see, think, feel and hear about your services will help you to create better ones. Please feel free to contact Chris at [chris.varley@hymans.co.uk](mailto:chris.varley@hymans.co.uk) if this piques your interest.

### **Spotlight on life expectancy:**

#### **'Baseline' tables**

Club Vita's latest tables have been released. The 2025 version of VitaCurves (otherwise known as CV25) is based on the longevity experience of pensioners in the UK between 2021 and 2023. For most LGPS funds the impact of moving from CV24 to CV25 (after adjusting for COVID-19) will be a slight increase in liabilities (by less than 0.5%). However, the impact will vary by fund, depending on each fund's profile and mix of lives. VitaCurves enable LGPS funds to estimate the current life expectancy of each individual in a fund based on their gender, lifestyle (via postcode), affluence, retirement health and occupation. By contributing data annually, LGPS funds help enrich Club Vita's dataset, enabling the development of these detailed and insightful longevity models.

#### **Future improvements**

The actuarial profession [released](#) its latest mortality improvements projection model, CMI\_2024, on 30 June. As well as the usual updates to the model to allow for the latest available data, the CMI has also changed its method following consultation with users. The changes are expected to allow for better modelling of mortality as we emerge from the pandemic. CMI\_2024 produces cohort life expectancies at age 65 that are about three months higher for males and about two weeks higher for females than in the previous version of the model, CMI\_2023.

## Events, webinars & training

### PLSA Local Authority Conference, 16 to 18 June

This year's PLSA Local Authority Conference was a huge success, running at full pace from start to finish. The new Bedfordshire venue set the scene for valuable sessions, lively debate and scorching weather. Beyond the agenda, there was plenty of time for building relationships through nature walks, chair yoga, street food and outdoor games. Iain Campbell and Andrew Johnston delivered a session *Partnering with your pool* to a packed room. They were joined by Jo Kempton, Head of Lincolnshire Pension Fund to discuss the importance of effective oversight and positive collaboration between funds and their pools. We've summarised all of the key points and takeaways in our [conference highlights](#).

### Fit for the Future webinar

Following last month's government update, we hosted a webinar on 10 June to explore the proposals. Kate Dickson, Iain Campbell and Ian Colvin provided context to the updates and discussed short-term considerations, while taking a longer-term view on what it means for the LGPS. If you were unable to join us live, [register](#) here and watch the recording at a time convenient to you.

### Summer Series for LGPS Employers

This July to September, we're running a series of short, practical training sessions, designed specifically for LGPS employers. An opportunity to skill up over summer, participants will gain the knowledge required to address key HR or governance issues. Each session will focus on one issue and employers can choose which are most relevant to them:

- **22 July:** *Pension scams and employers*
- **August:** *Leaving the LGPS; what cessation means for employers*
- **September:** *The importance and financial benefits of good data*

Please register your interest [here](#) and we'll be in touch with details on pricing and how to book.

## In brief...

### Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to May 2025 at 3.4%, marginally lower than the 3.5% recorded in the prior month. RPI for the same period was 4.3%.

### Reporting by fund managers

The Financial Conduct Authority (FCA) is [consulting](#) on proposals to cut onerous value-assessment reporting requirements for fund managers. The consultation closes on 14 July 2025.

### Trusteeship

The CEO of the Pension Regulator (TPR) gave a [speech](#) last month on the changing nature of trusteeship. There was mention of a government consultation on the future regulatory environment for trusteeship and governance '*later in the year*'.

**Derivative contracts**

As expected, new [regulations](#) have removed the time limit from the 'temporary' exemption connected with the central-clearing requirement for derivatives held by pension funds.

**Pension Schemes Bill**

The Work and Pensions Committee (WPC) has published a [letter](#) from the Minister for Pensions, Torsten Bell, following the introduction of the Bill into the House of Commons. The HoC library has also published [a research briefing](#) on the subject.

**Access to the LGPS**

The Local Government minister has [confirmed](#), via a parliamentary Q&A, that it is unlawful for local authorities to prevent access to the LGPS for new employees.

**TPO update**

The Pensions Ombudsman (TPO) has [announced](#) that it will close its special Pensions Dishonesty Unit in October 2025, when DWP funding for it (as a pilot initiative) ceases.

**HMRC news**

Treatment of VAT: An [announcement](#) about changes to the VAT treatment of pension funds. Guidance on the policy changes is to be published by the autumn.

McCloud remedy: A [newsletter](#) covering event reports for 2024/25 and [new regulations](#) which (amongst other things) provide for offsetting and reclaiming historical unauthorised payments charges.

**Data protection**

The [Data \(Use and Access\) Act 2025](#) has now received Royal Assent. The accompanying [ICO briefing](#) provides an overview of the changes.

**Name change at PLSA**

The PLSA has been [renamed](#) Pensions UK.

**Net zero**

TPR has [said](#) that it will produce (as part of an industry working group) a net-zero-transition-plan template for pension schemes.

**Digital drive**

A TPR [blog](#) has advertised its digital, data and technology [strategy](#), which it wants to reduce regulatory burdens, foster improved data-quality and administration, and support innovation.

## Appendix

### Hymans LGPS Conference

<https://www.hymans.co.uk/insights/conference-highlights-together-focusing-on-lgps-stakeholders>

### Aiming for more access and fairness in the LGPS

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

<https://www.hymans.co.uk/insights/lgps-england-wales-consultation-access-and-fairness>

### Register now for our upcoming LGPS salary survey!

<https://www.hymans.co.uk/insights/recognising-and-retaining-lgps-talent>

[con.hargrave@hymans.co.uk](mailto:con.hargrave@hymans.co.uk)

[claire.mcdines@hymans.co.uk](mailto:claire.mcdines@hymans.co.uk)

### Spotlight on Responsible Investment

[https://media.frc.org.uk/documents/UK\\_Stewardship\\_Code\\_2026.pdf](https://media.frc.org.uk/documents/UK_Stewardship_Code_2026.pdf)

<https://www.hymans.co.uk/insights/the-uk-stewardship-code-2026-and-what-it-means-for-signatories>

<https://www.hymans.co.uk/insights/our-stewardship-code-report-2024>

<https://www.hymans.co.uk/services/hymans-engage>

### Spotlight on accounting

<https://www.hymans.co.uk/insights/demystifying-accounting-disclosures-for-lgps-academies>

[LGPSCentralAccountingTeam@hymans.co.uk](mailto:LGPSCentralAccountingTeam@hymans.co.uk)

<https://www.prag.org.uk/prag-sorp-consultation-2025>

### Design Thinking – be empathetic

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

<https://www.hymans.co.uk/insights/design-thinking-in-practice-start-with-empathy>

[chris.varley@hymans.co.uk](mailto:chris.varley@hymans.co.uk)

### Spotlight on life expectancy

<https://www.actuaries.org.uk/learn-and-develop/continuous-mortality-investigation/cmi-working-papers/mortality-projections/cmi-working-paper-201>

### Events, webinars & training

<https://cms.hymans.co.uk/media/mkxhzol5/2025-plsa-local-authority-conference-highlights.pdf>

<https://www.hymans.co.uk/insights/examining-the-governments-response-to-the-lgps-fit-for-the-future-consultation>

<https://web.hymans.co.uk/hymanscouk-atwsv/pages/s9ide1ecefche2bfvq0wcq.html?PageId=7b9dd84b0251f011877b6045bd0d3009>

### In brief...

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/may2025>





<https://www.fca.org.uk/publication/consultation/cp25-16.pdf>

<https://www.thepensionsregulator.gov.uk/en/media-hub/speeches-and-speakers/the-changing-nature-of-trusteeship-2025>

<https://www.legislation.gov.uk/ukxi/2025/670/made>

<https://committees.parliament.uk/publications/48304/documents/252846/default/>

<https://commonslibrary.parliament.uk/research-briefings/cbp-10293/>

<https://questions-statements.parliament.uk/written-questions/detail/2025-06-09/58490>

<https://www.pensions-ombudsman.org.uk/news-item/tpos-pensions-dishonesty-unit-pilot-comes-end>

<https://www.gov.uk/government/publications/revenue-and-customs-brief-4-2025-vat-deduction-on-the-management-of-pension-funds/vat-deduction-on-the-management-of-pension-funds>

<https://www.gov.uk/government/publications/public-service-pensions-remedy-newsletter-june-2025/newsletter-on-the-public-service-pensions-remedy-june-2025#the-public-service-pension-schemes-rectification-of-unlawful-discrimination-tax-regulations-2025>

<https://www.legislation.gov.uk/ukxi/2025/419/contents/made>

<https://www.gov.uk/guidance/data-use-and-access-act-2025-data-protection-and-privacy-changes>

<https://ico.org.uk/about-the-ico/what-we-do/legislation-we-cover/data-use-and-access-act-2025/the-data-use-and-access-act-2025-what-does-it-mean-for-organisations/>

<https://www.pensionsuk.org.uk/news/article/new-strategy-sees-plsa-become-pensions-uk-in-defining-period-for-retirement-saving>

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2025-press-releases/pensions-industry-and-regulator-to-join-forces-to-address-net-zero-transition-risks>

<https://blog.thepensionsregulator.gov.uk/2025/07/01/how-collaboration-will-help-pensions-thrive-in-the-digital-data-and-technology-age/>

<https://www.thepensionsregulator.gov.uk/en/document-library/corporate-information/ddat-strategy>



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