

Current issues in the LGPS

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Get in touch



Welcome to the new edition of Current issues in the LGPS — **08 June 2026**

The Kinks (and others) sang it. Now you can experience it, with the launch of v3.0 of our LOLA training platform! And, talking of training needs, funds south of the border eagerly await the final Fit for the Future guidance.

➤ **Preparing to be Fit for the Future**

The government [published](#) its response to the technical consultation on the regulations that underpin its 'Fit for the Future' reforms in England and Wales. These include a more pragmatic approach in places. Our [Briefing Note](#) provides a summary of the differences between the original draft regulations and the final confirmed position below, many of which were signposted in the MHCLG letter sent to funds on 1 April. We now await the key details via guidance due by end June.

➤ **Spotlight on 2025 valuations:**

1. Five ways to control your funding risks

The English and Welsh valuations are over, but funding risks continue! Legislative change, employer behaviour, demographics, and cashflow pressures require proactive management. Key priorities for 2026/27 include academy consolidation, local government reorganisation, and the 'actuarial solstice' in September 2026 to plan for 2028. Addressing insights from gender pensions gap metrics and strengthening governance, particularly for new committee members, complete the priority list. Our [Briefing Note](#) provides more detail and has a bonus list of other funding risks to keep an eye on!

2. National vs local picture

Following our [Big Picture report](#), we hosted a webinar last month to dig a little deeper into the analysis. The recording is free to watch on demand [here](#). Individual fund analysis is now available to help officers and committees understand where their fund sits relative to this national picture. For more information, please speak to your Hymans actuary or consultant.

➤ 2026 valuations: no data, no party!

With Scotland about to kick off in America, LGPS funds back home are getting ready to submit their membership data for the valuation...with maybe one (and a half) eyes on the telly. And just like footballers need to get into shape for the big match, membership data needs to be in good shape for a successful valuation. We'll be working with funds over the coming weeks to help them prepare and submit high quality data so they can progress to the next round of the valuation.

➤ New SCAPE rate brings new LGPS factors

The government has [announced](#) an increase in the SCAPE discount rate to CPI plus 2.0%, triggering a review of actuarial factors used across public service pension schemes (see also this [technical note](#)). For the LGPS, this means all actuarial factors are now under review, including those used for transfers, commutation and retirement adjustments. These factors are set nationally by GAD and underpin many day-to-day administration calculations. The new factors will be released in batches over the next six months.

➤ Spotlight on training:

1. Lo-Lo-Lo-Lo-LOLA

The latest version of the LGPS Online Learning Academy (LOLA) is [live](#)! The platform is now more interactive and engaging, helping learners to meet new government expectations (in England and Wales) or best practice (in Scotland). With over 50 funds and 1,400 users, LOLA is the most popular learning platform in use across the LGPS. If you are interested in hearing more about it, please speak to your friendly Hymans contact.

2. Induction for new elected members

The recent elections have led to a host of new Committee members. Induction training is always a big undertaking when new members join the Committee, as there are so many aspects for which knowledge is required. In addition, 'Fit for the Future' reforms (see article above) require elected members to have sufficient knowledge before attending their first Committee meeting. Please call us if you need any induction support.

3. Brief Guide to the LGPS

To quickly support officers with their induction plans, we recently circulated our free "*Brief Guide to the LGPS*". This can be easily inserted into induction packs for new members. We are also supporting funds with LGPS induction training sessions to provide a baseline knowledge across the areas members need to be familiar with.

➤ Spotlight on responsible investment:

1. The environmental cost of conflict

The [US-Iran conflict](#) has become a macroeconomic shock with global consequences including disruption to energy systems and supply chains, as well as climate damage affecting the global carbon budget. Rising oil and gas prices, disruption to shipping and higher insurance costs have fuelled inflation. Meanwhile, increasing agricultural and industrial costs are intensifying food-security concerns. For longer-term investors, the conflict exacerbates systemic risks. But it also emphasises the importance of portfolio resilience and diversification across both geographies and asset classes

2. Sustainability snippets

This month's [blog](#) features a recent AGM held by BP which showed the power of shareholders. More than 50% of them voted against management proposals to weaken climate disclosures and scrap in-person shareholder meetings. And, in other news, there has been a spat between US state attorneys and credit risk providers over the inclusion of ESG factors in credit ratings.



➤ Longevity update:

1. Cancer research

[Club Vita](#) recently hosted another session, alongside Cancer Research UK, of its popular “*The Risk of Living Longer*” webinar series. The discussion explored how our understanding and treatment of cancer has progressed over the last 50 years, as well as what the future might hold. You can watch a recording of the webinar [here](#).

2. LGPS Life Expectancy Index

Working with the Scheme Advisory Board in England and Wales, Club Vita has developed an [Index](#) to help explain changes in life expectancy among LGPS pensioners in England and Wales. The latest update, which looks at trends up to 2024, shows that life expectancy has returned to pre-pandemic levels, though it remains uncertain whether life expectancy will keep improving at the same pace.

➤ Events, webinars & training

Hymans LGPS Conference 2026, 3 June

Thank you to those of you who attended this year’s conference in Edinburgh– *The LGPS ahead: you’re ready*. It was great to see so many of you and we hope you left the conference feeling empowered, supported and ready. For those who missed it, keep an eye out for our highlights publication and video which will be released soon.

Pensions UK Local Authority Conference, 15-17 June

We’re looking forward to seeing many of you at this event in Bedfordshire. Don’t miss our colleagues Kate Dickson and Michael Burton who’ll be delivering a session on effective governance, and Steven Scott will be joining a panel to discuss valuation outcomes. You can find out more and register [here](#).

PASA Annual Conference, 29 April

We were pleased to attend the Pension Administration Standards Association (PASA) Annual Conference, marking the organisation’s 15th anniversary. The day reflected on how far the administration profession has come and looked ahead to the changes coming down the line, with topics including AI, member experience and implementation of industry standards. Read our full summary of the conference [here](#).

In brief

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to April 2026 at 2.8%, a fall of 0.5% since the prior month. The biggest contributor to the reduction was housing and household services.

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

- [Annual Scheme Report 2025](#) – a wealth of aggregated information taken from 87 LGPS fund annual reports, covering the reporting year 2024/2025.
- Investment in conflict zones – a [letter](#) from the Pensions Minister concludes that it's not appropriate for local authorities to adopt investment policies that go beyond or differ from UK Government sanctions or foreign policy positions. The SAB Chair's [response](#) suggest that funds are not experts in international law and advises that they should continue to have regard to their current responsible investment policies and, when reviewing these, carefully consider the guidance on fiduciary duty previously provided by SAB. More detailed supporting guidance in this area will be published later this year.
- [Cost Transparency and Benchmarking framework](#) – covering its launch. It notes that this new framework replaces SAB's centralised data system which will be [coming to an end](#) in August 2026.

Inheritance tax on pensions:

- [Technical note](#) – giving HMRC's views on how the legislation is intended to work and practical guidance on, for example, ID verification of personal representatives. It also indicates what the forthcoming information-sharing regulations (see next bullet) are likely to require.
- [Information sharing regulations](#) – a technical consultation from HMRC seeking comments on the required draft secondary legislation. The consultation ends on 11 June.

Updates from The Pensions Regulator (TPR):

- Corporate strategy – a [consultation](#) on its [draft strategy](#) for the next 5 years (entitled 'A sustainable retirement income for all'). The consultation closes on 8 June.
- Dashboards – a [regulatory initiative](#) has been launched on dashboards-data preparedness. It's targeting 240 DB or hybrid schemes in the private sector (no mention of the public sector/LGPS).
- [AI plan](#) – this lays out expectations of the use of AI in the workplace-pensions industry. It highlights the need for sound governance, quality-assurance activity, risk management, scam awareness, data quality and protection, and professional advice. Detailed guidance is coming later this year.

Official LGPS statistics

MHCLG has updated its [statistics](#) on the LGPS in England and Wales, covering 2024/25, to allow for final audited numbers from 25 authorities.

King's Speech

The State Opening of the 2026/27 session of Parliament, including the [Speech](#), contained no mention of pensions. There are, however, to be steps to tackle the cost-of-living crisis and promote growth. The government also intends to strengthen trade (including EU) ties and reduce unnecessary regulation affecting business. Background briefing notes are [here](#).

Lords' debate – LGPS and foreign policy

The MHCLG spokesperson in the House of Lords [reiterated](#) that it's inappropriate for local authorities to adopt investment policies that diverge from the government's line. Baroness Altmann raised concerns that draft guidance for administering authorities on non-financial factors could be 'contradictory' to government's policy and exploited to push disinvestment.

MoneyHelper pensions dashboard

The Pensions Dashboards Programme (PDP) is expected to go public in 2027/28 according to a comment in a [FAQ document](#) about phase 1 testing.

Cohort life expectancies

According to the latest [ONS research](#), average cohort life expectancy for children born in 2024 is expected to be 90.2 years for girls and 86.9 years for boys. More than a quarter of girls born in 2049 are expected to reach the same current age as Sir David Attenborough!

Retirement adequacy

The Pensions Commission has [published](#) its interim report. It warns that fifteen million people, notably low and middle earners, the self-employed, and women, aren't saving enough for retirement, and says that the pensions system will have to change to meet the demands of modern working. Our [summary](#) provides further detail. A final report is due in early 2027.

LGPS cost control mechanism

As well as announcing the change to the SCAPE rate (see earlier article above), HM Treasury has published the [Public Service Pensions \(Valuations and Employer Cost Cap\) \(Amendment\) Directions 2026](#) that include the introduction of the reformed employer cost cap mechanism. The next cost control valuation has a measurement date of 31 March 2024.

Financial Services and Markets Bill

Amongst other things, this [Bill](#) contains clauses relating to functions of the PRA and the FCA (around anti-money laundering, long-term strategy, requirements to consider Government economic policy and regulatory principles, and reporting about their competitiveness-and-growth objective).

Regulatory initiatives

The FCA has [published](#) the 10th edition of its Regulatory Initiatives Grid (covering activity by numerous organisations, including the Pensions Regulator). The Pensions and Retirement Income section starts on page 51.

Normal minimum pension age

A parliamentary [Q&A](#) about the impact of the increase to the NMPA in 2028 on LGPS members with fewer than 10 years to retirement. The government response says that the Finance Act 2022 already includes protections for members who have an unqualified right to access their pension benefits before age 57.

Pensions taxation

HM Treasury has laid [draft Regulations](#) making further changes to the tax rules connected with the abolition of the lifetime allowance.

Pensions on divorce

The MOJ is [proposing](#) reforms to financial remedies on divorce in England and Wales, including requirements around pension sharing. The consultation period ends on 14 August.



Article links

Preparing to be Fit for the Future

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

<https://www.hymans.co.uk/media/4jnj4hmr/260526-technical-consultation-response.pdf>

Spotlight on 2025 valuations

<https://www.hymans.co.uk/insights/lgps-2025-valuations-the-big-picture>

<https://event.on24.com/wcc/r/5329383/9EB8A52E861596EED699E0B76CF88D8A>

New SCAPE rate brings new LGPS factors

<https://questions-statements.parliament.uk/written-statements/detail/2026-05-19/hcws37>

<https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>

Spotlight on training

<https://www.hymans.co.uk/media-centre-insights/hymans-launches-updated-lgps-online-learning-academy-lola-30>

Spotlight on responsible investment

<https://www.hymans.co.uk/insights/current-issues-us-israel-iran-conflict-environmental-implications>

<https://www.hymans.co.uk/insights/sustainability-snippets-april>

Longevity update

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

<https://www.clubvita.net/uk/events/the-risk-of-living-longer-series-frontier-of-cancer-research>

<https://lgpsboard.org/scheme-annual-report/scheme-annual-report-2025/financial-performance/>

Events, webinars & training

<https://www.pensionsuk.org.uk/Events/Conferences/Local-Authority-Conference>

<https://cms.hymans.co.uk/media/2odpw20f/conference-highlights-pasa-annual-conference-2026.pdf>



In brief....

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2026>

<https://lgpsboard.org/scheme-annual-report/scheme-annual-report-2025/chairs-statement/>

<https://lgpsboard.org/wp-content/uploads/2026/05/20260512-Minister-Alison-McGovern-response-to-Board-letter-dated-13-October-2025.pdf>

<https://lgpsboard.org/board-chair-statement-on-investment-in-conflict-zones-response-letter-from-minister/>

<https://lgpsboard.org/new-cost-transparency-and-benchmarking-framework-now-live/>

<https://www.gov.uk/government/publications/inheritance-tax-on-pensions-technical-note/technical-note-inheritance-tax-on-pensions>

<https://www.gov.uk/government/consultations/inheritance-tax-on-pensions-information-sharing-regulations>

<https://www.thepensionsregulator.gov.uk/document-library/consultations/corporate-strategy-consultation>

<https://www.thepensionsregulator.gov.uk/media/vsthsnvq/tpr-corporate-strategy-2026-2031-consultation-draft-may-2026.pdf>

<https://www.thepensionsregulator.gov.uk/en/media-hub/press-releases/2026-press-releases/db-hybrid-schemes-act-now-to-get-data-ready-for-dashboards>

<https://www.thepensionsregulator.gov.uk/document-library/corporate-information/ai-plan#expect>

<https://www.gov.uk/government/statistics/local-government-pension-scheme-funds-for-england-and-wales-2024-to-2025#full-publication-update-history>

<https://www.gov.uk/government/speeches/the-kings-speech-2026>

https://assets.publishing.service.gov.uk/media/6a18713db95db968c8f3bbfd/The_King_s_Speech_2026_-_background_briefing_notes.pdf

<https://hansard.parliament.uk/lords/2026-05-18/debates/4954FE95-3653-4279-8D56-7788A24F9F90/LocalGovernmentPensionFund>

<https://mailchi.mp/maps/phase-1-testing-findings>

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/pastandprojecteddatafromtheperiodandcohortlifetables/2024baseduk1981to2074>

<https://www.gov.uk/government/publications/pensions-2050-evidence-and-future-priorities-interim-report>

<https://www.hymans.co.uk/insights/60-second-summary-pensions-commission-gives-initial-views-on-adequacy>

https://assets.publishing.service.gov.uk/media/6a0c453cc75cc34a8ff8f4f7/The_Public_Service_Pensions_Valuations_and_Employer_Cost_Cap_Amendment_Directions_2026.pdf

<https://bills.parliament.uk/publications/66379/documents/8276>

<https://www.fca.org.uk/publication/corporate/regulatory-initiatives-grid-may-2026.pdf>

<https://questions-statements.parliament.uk/written-questions/detail/2026-05-19/2884>

<https://www.legislation.gov.uk/ukdsi/2026/9780348283686>

<https://www.gov.uk/government/consultations/a-fairer-end-to-relationships/a-fairer-end-to-relationships-consultation-document>



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