

Current issues in the LGPS

September 2025



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With the 2025 valuation season in full swing, we've picked out the trends so far from the reporting. The political summer break feels firmly behind us as legislative announcements start to flow in again from England, Wales and Scotland.

Spotlight on the actuarial valuations:

2025 in England and Wales – initial results and early insights

The initial results for several English & Welsh funds are now in and the headline news is positive - however, the devil is in the detail! While funding levels have improved for most, the improvements are varied and a fair dose of caution about the future remains. Rob Bilton and Tom Hoare have picked through the detail and discuss early trends that are emerging at the 2025 valuations. You can rewatch this latest webinar on demand [here](#).

2026 in Scotland – long term funding strategy

Scottish funds are preparing for another valuation in a strong position, although scrutiny about how funds are managing surpluses has ramped up since the 2023 valuation. As many funds know from last time, having a funding 'surplus' is often not as simple as it sounds, and careful management of both figures messaging is required. As part of our 2026 preparations, we'll be reaching out to begin work on calculating and articulating what a long-term funding strategy looks like in a surplus environment. Look out for more details in the coming weeks.

National 'Section 13' valuation reporting

We've been continuing our engagement with GAD on both the 2023 (Scotland) and 2025 (England & Wales) Section 13 valuations. For Scotland, we understand that the 2023 valuation report is going through its final stages of review. Hopefully it will be released shortly to feed into pre-valuation planning. For England & Wales, further to our [update in July](#), GAD will be looking to understand the governance and decision making process around key funding strategy decisions such as assumption setting and determining funding policies. We're considering how this could be best summarised in the final valuation report and also suggest that funds keep a detailed governance audit log for the valuation. This will not only support any potential future engagement with GAD but could be useful to demonstrate the process followed to other oversight bodies (such as Local Pension Boards), as well as providing a handy reference for 2028.

Academies & colleges

The Department for Education (DfE) is hosting an academy 'power hour' [webinar](#) in September for academy schools. This webinar will be focussing on the 2025 LGPS valuations, with all four actuarial firms that advise administering authorities taking part. As the valuation moves into the employer results stage, minds will be turning to academy and college funding strategies (amongst all the other employer groups). With DfE being included as a consultee in the FSS consultation, funds should be considering how they have reflected the strength of the DfE guarantee in funding strategies and be ready to explain the rationale behind any differences to the funding approach taken for local authorities.

Pension Schemes Bill:

Recent Government amendments affecting the LGPS

The [Pension Schemes Bill](#) continues to wind its way through the parliamentary process. [Amendments](#), with their references in brackets below, that were agreed on 1 September include:

- extending LGPS pooling powers to Scotland, and beefing up the Government's ability to enforce them (Gov7 on page 1)
- exempting certain LGPS asset-pool contracts from public-procurement rule (GovNC21 on page 64)
- allowing the Government to confer certain powers on LGPS scheme managers who don't already have them (Gov NC22 on page 66)

Scrutiny committee

The Bill reached the Committee stage for further scrutiny on 2 September. There was a wide range of industry experts invited to give oral evidence to a committee of MPs, including the Minister for Pensions, Torsten Bell. This is intended to give Committee members more information on which to make their decisions. We were delighted that our Head of LGPS consulting, Robbie McInroy, was personally invited to give evidence in the LGPS session alongside Cllr Roger Phillips (Chair of the English and Welsh SAB). They answered questions posed by the Committee on various parts of the Bill including pooling, surpluses, local investment, mandation of investments and members' outcomes. The video of the LGPS session can be viewed [here](#) and the [transcript](#) can be read on pages 30-46.

LGPS benchmarking salary survey

Our survey closed last week, having attracted completions from over 40 funds. We are busy compiling the results and analysing the data. We will be in touch with all participating funds to provide their reports later this month. With such a large bank of data specifically for LGPS officers, it should provide very worthwhile information for benchmarking salaries across a spectrum of up to 20 roles. Any funds who took part on the free basis, but wish to opt for the more detailed, paid report, can do so by getting in touch. For any funds who did not take part initially, but are interested in doing so now, this is still possible. Please contact alan.johnson@hymans.co.uk for more information.

Devolution in England

The next Local Government Reorganisation (LGR) milestone is close, with priority areas submitting final proposals towards the end of September. LGPS officers need to know about Host Authority decisions and consider impacts on their funds. Multiple models are being discussed. Some funds expect to operate normally, with the Authority simply becoming a unitary and replacing the current council. Others are considering joint enterprise and arms-length bodies. We are supporting funds on understanding the implications to help officers actively participate in discussions. Part of this will be the launch of a planning kit to help with project management. If you want to discuss your circumstances in detail, please speak to your usual Hymans contact.

LGPS Scotland consultation

On 2 September, Scottish Ministers launched a [consultation](#) on a range of LGPS administration and benefits issues, with many of the proposals similar to those outlined in the LGPS England and Wales [Access and Fairness](#) consultation earlier this year. Amongst the topics covered are the death grant age limit, gender pensions gap reporting, steps to obtain better data on scheme opt outs, forfeiture and McCloud. However, the consultation also covers several other technical issues, including issues that are specific to LGPS Scotland (for example, the transfer of Scottish Fire and Rescue staff to the Strathclyde Pension Fund). The consultation closes on 25 November.

Responsible Investment (RI):

Considering local investment and impact

With local investment firmly on the government agenda for the LGPS, it may feel daunting for some. We've certainly seen a range of perspectives in a recent local investment English and Welsh fund survey we carried out over the summer. We'll share a report detailing key trends and considerations shortly. In the meantime, we invite you to revisit the article "[How to create impact](#)" by one of our RI consultants, Sanjay Joshi. To help connect local investment to impact, Sanjay explores what we mean by impact investing and outlines strategic and practical considerations to address. Valuable insight as LGPS funds work to align positive local impact with their funds' investment goals over the coming months.

We're a UK Stewardship Code signatory once again

We're proud to share that we've been recognised as a signatory to the Financial Reporting Council's UK Stewardship Code. Now in our fifth year of formal reporting, our [2024 Stewardship Code](#) report reflects a year of evolution and impact. We sharpened our focus on climate transition action plans, deepened asset manager engagement and refreshed our [Responsible Investment Mission Statement](#). As sustainability risks grow more complex, the need for resilient, purpose-driven stewardship has never been greater. Our signatory status reflects our commitment to helping investors such as LGPS funds achieve better financial outcomes and support real world change. Read the announcement [here](#).

Accounting update:

Summery accounting summary

Over the heat and sunshine of August, many employers with a 31 July year-end will have received their FRS102 results which have continued to show net asset (or surplus) positions on their balance sheets. Moving into a cooler September, we expect a similar situation to arise for academies reporting at the 31 August year-end. Throughout 2025 we have been liaising with auditors and LGPS practitioners on asset ceiling considerations, to help provide guidance to employers on this complex topic. For help understanding asset ceilings and the disclosure of your accounting surplus, please get in touch with our accounting specialists at LGPSCentralAccountingTeam@hymans.co.uk.

Consultation to improve pension fund reporting

CIPFA and LASAAC are [consulting](#) on proposed changes to the 2026/27 Code of Practice on Local Authority Accounting, which could affect how LGPS funds are reported within council accounts. The draft reflects wider efforts to simplify reporting and align with international standards, while considering the impact of local government reorganisations. LGPS stakeholders should review the draft 'Invitation to Comment', especially where pension fund disclosures intersect with wider council reporting. The consultation also supports making the Code freely available and easier to navigate. Feedback is invited to help shape the final version and ensure pension fund reporting remains clear, consistent and compliant.

Crack open the crayons - it's time to get creative!

In the latest [blog](#) of his Design Thinking series, our digital guru Chris Varley explores the misunderstood but essential stage of "Ideation". The article challenges the myth that creativity is a luxury and shows how structured approaches can unlock fresh thinking, even in the most constrained environments. If you've ever felt stuck with a default solution, it's time to step back and imagine the possibilities!

State Pension age (SPA) review

The government announced the launch of the third review of SPA in July 2025. The review will assess whether current pension age rules are appropriate in light of updated life expectancy data and other evidence. Dr Suzy Morrissey will prepare an independent report, exploring the key factors the government should consider in determining SPA, and is inviting views from a broad range of organisations, experts and individuals via a [Call for Evidence](#). As a leading provider of longevity analytics to the majority of LGPS funds, Club Vita will be submitting a response ahead of the 24 October 2025 deadline. Hymans will submit a response too. The review will also be informed by a report from the Government Actuary's Department. The SPA is currently 66 and is scheduled to rise to 67 between 2026 and 2028. It's linked to benefit accrual in the LGPS.

Making an impact at Hymans

We're pleased to share our [2025 Impact Report](#), a snapshot of the positive change we've driven for clients, markets, communities, our people and the planet. This year, we deepened support for Responsible Investment, rejoined the UK Stewardship Code, and advanced sector-wide change. Through the Hymans Robertson Foundation, we supported 2,800+ young people and logged 2,720+ volunteer hours. Our people lead with purpose, from shaping pensions policy to hands-on community work. Empowered by our independence and partnership model, we prioritise clients, people and purpose - without compromise. We hope the report reflects our shared ambition and pride.

Events, webinar & training

LGC Investment Awards

We're pleased to say we've made it onto the shortlist for the [2025 Local Government Chronicle](#) Investment Awards, for Consultant/Actuary of the Year. This recognition reflects the hard work, innovation and dedication of our teams that support the LGPS. Congratulations also to our colleague Con Hargrave, who's also made it onto the shortlist for the Outstanding Individual Contribution - Service Provider category.

LAPF Investment Awards

We're also delighted to have been shortlisted in two categories at the [2025 LAPF Investments Awards!](#)

- LGPS Service Provider of the Year
- Investment Advisory Service of the Year

We're proud that our ongoing commitment to supporting the LGPS has been acknowledged and look forward to awards night on 2 October in London.

In brief...

Scheme Advisory Board (England and Wales) updates

Survey: a survey has been issued to pension fund managers seeking views on the diversity of representation within their committees and boards and on peer support within the LGPS. Responses will inform the SAB's ongoing work to promote best practice and develop guidance for funds. The survey closes on 8 September.

Inaugural annual assembly: invitations to join this free in-person event on 22 October in London have been sent to chairs of LGPS committees and local pension boards. The Local Government Minister, Jim McMahon, is expected to attend. It will be hosted by Cllr Roger Phillips and the SAB's Secretary and cover SAB's ongoing work. A place can be booked [here](#).

Pooling and conflicts of interest: high-level [legal advice](#) has been received from Burges Salmon with the purpose of helping LGPS funds to consider practical ways of working that are consistent with the Government's 'Fit for the Future' proposals on pooling while managing conflicts of interest. The SAB intends to use the advice to inform the development of its wider pooling governance guidance.

Palestine Solidarity Campaign (PSC): many funds have received letters, alongside a [position paper](#) drafted by lawyers, about their legal obligations on the situation in Gaza. SAB will be writing to the Local Government Minister about the issues raised as they relate to matters of international law. SAB also reminds funds that it commissioned prior [legal advice](#) from Nigel Giffin KC on allegations similar to those raised in the PSC letter.

Summary statement: a short [summary](#) has been released about the management of the LGPS and the statutory role of SAB, alongside a statement that the SAB does not recognise [claims](#) made by Reform UK.

Inflation figures

The latest [ONS release](#) recorded annual headline CPI for the year to July 2025 at 3.8%, slightly higher than the 3.6% recorded in the prior month. RPI for the same period was 4.8%.

Local Government Association (LGA) resources

The LGA has created a standard template spreadsheet, and accompanying notes, to gather information about previous LGPS membership as part of the McCloud remedy across England, Wales and Scotland. They have also produced new resources for funds to help them put on events for LGPS members as part of Pension Awareness Week (which starts on 15 September). They're available at LGA's usual links, [here](#) and [here](#).

Pension tax relief

HMRC has announced in its latest [newsletter](#) that, from 1 September, it is lowering the threshold for requiring evidence in support of new requests for higher rate or additional rate relief claims to be given through an individual's tax code. Some individuals may now be asked to provide evidence where it would not previously have been required.

Autumn Budget 2025

The Chancellor has [announced](#) that her next Budget will take place on Wednesday 26 November.

Appendix

Spotlight on the actuarial valuations

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

<https://www.hymans.co.uk/media/re3d0hd2/hymans-robertson-current-issues-in-the-lgps-july-2025.pdf>

<https://www.eventbrite.co.uk/e/power-hour-local-government-pension-scheme-tickets-1656695564029?aff=ebdsoporgprofile>

Pension Schemes Bill

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

https://publications.parliament.uk/pa/bills/cbill/59-01/0255/amend/pensions_rm_pbc_0901.pdf

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

https://publications.parliament.uk/pa/bills/cbill/59-01/0255/PBC255_PensionSchemes_1st2nd_Compilation_02_09_2025.pdf

LGPS benchmarking salary survey

alan.johnson@hymans.co.uk

LGPS Scotland consultation

<https://pensions.gov.scot/local-government/scheme-governance-and-legislation/consultations>

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

Responsible Investment (RI)

<https://hymans.co/investmentperspectivesfebruary2025/howtocreateimpact/>

<https://www.hymans.co.uk/media/wzsivpre/hymans-robertson-stewardship-code-report-2024.pdf>

<https://www.hymans.co.uk/media/a4lhraei/ri-missionstatement-10042024.pdf>

<https://www.hymans.co.uk/insights/were-recognised-as-signatories-to-the-uk-stewardship-code>

Accounting update

LGPSCentralAccountingTeam@hymans.co.uk

<https://www.cipfa.org/policy-and-guidance/consultations/consultation-on-202627-code-of-practice-on-local-authority-financial-reporting-uk>

Crack open the crayons - it's time to get creative!

<https://www.hymans.co.uk/insights/design-thinking-for-the-lgps-stage-three-ideation-imagine-the-possibilities>

State Pension age (SPA) review

<https://www.gov.uk/government/calls-for-evidence/third-state-pension-age-review-independent-report-call-for-evidence/third-state-pension-age-review-independent-report-call-for-evidence>

Making an impact at Hymans

<https://www.hymans.co.uk/insights/our-2025-impact-report>

Events, webinars & training

<https://investmentawards.lgcplus.com/2025/en/page/shortlist-2025>

<https://lapinvestmentsawards.com/2025-lgps-shortlist/>

In brief...

<https://lgaevents.local.gov.uk/lga/frontend/reg/thome.csp?pageID=936234&eventID=2686&traceRedir=2>

https://www.lgpsboard.org/images/LegalAdviceandSummaries/20250815_DGillions_Burges_Salmon_Pooling_Advice.pdf

https://www.lgpsboard.org/images/Other/20250827_Doughty_Street_Chambers_Position_Paper.pdf

https://www.lgpsboard.org/images/LegalAdviceandSummaries/Oct2024_LGA_LGPSGazaeventsopinion_from_Nigel_Giffin_KC_.pdf

https://www.lgpsboard.org/images/Other/20250901_Board_Summary_of_the_LGPS_statement.pdf

<https://www.pensionsage.com/pa/Reform-brands-LGPS-fees-and-performance-negiligent-plans-to-launch-own-pool.php>

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

<https://www.lgpsregs.org/resources/guidesetc.php>

<https://scotlgpsregs.org/resources/guidesetc.php>

<https://www.gov.uk/government/publications/pensions-schemes-newsletter-172-august-2025/newsletter-172-august-2025>

<https://www.gov.uk/government/publications/chancellor-letter-to-the-treasury-select-committee-tsc-budget-2025-date/chancellor-letter-to-the-treasury-select-committee-tsc>

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