

LGF Pensions team  
MHCLG  
Email to: [lgpensions@communities.gov.uk](mailto:lgpensions@communities.gov.uk)

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### **Local Government Pension Scheme: Fit for the Future – technical consultation**

Thank you for the consultation seeking views on the two draft instruments to implement the Fit for the Future proposals.

I respond on behalf of the Local Government Pensions Committee (LGPC). The LGPC is a committee of councillors constituted by the LGA, the WLGA and the Convention of Scottish Local Authorities (COSLA). The LGPC considers policy and technical matters affecting the Local Government Pension Scheme (LGPS).

The LGA is a politically led, cross-party membership organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government. 315 of the 317 councils in England are members of the LGA. These include district, county, metropolitan and unitary authorities along with London boroughs and the City of London corporation. The 22 Welsh unitary authorities are also in membership via the Welsh Local Government Association (WLGA).

Our response covers the LGPS (Amendment) Regulations 2026 only. Our Scheme Advisory Board colleagues are providing comments on the draft investment regulations.

I hope the content is helpful. Please do not hesitate to contact me if you have any questions about this response.

Yours faithfully



Lorraine Bennett  
**LGPC Secretary**

# Technical comments on LGPS (Amendment) Regulations 2026

## Amendment Regulation 1

No comments.

## Amendment Regulation 2

No comments.

## Amendment Regulation 3 (inserting regulation 53A into the 2013 Regulations)

- Inserted regulation 53A(1) states that an administering authority must appoint a senior LGPS officer “by the date specified in paragraph (2)”. Paragraph 2(a) specifies 1 October 2026 for the first appointment. It is unclear whether the last permissible day to make the appointment is 30 September 2026 or 1 October 2026. To avoid ambiguity, it may be clearer to use “before” rather than “by” in 53A(1). The same point applies to the use of “by” in inserted regulation 53A(7).
- Regulation 53A(6) requires the administering authority to appoint an independent person to support the senior LGPS officer if the administering authority has delegated any of its functions to that officer. Under 53A(7) and (8), the first such appointment must be made by 1 October 2026. However, this does not seem to cover situations where an administering authority initially does not delegate any functions to the senior LGPS officer but later decides to do so. In that case, the first appointment of an independent person to support the senior LGPS officer could occur after 1 October 2026.
- The consultation document states that inserted regulation 53A “will come into force on 1 October 2026 in respect of the first appointment”. However, nothing in the draft regulations appears to prevent an appointment from taking effect between 1 April 2026 and 30 September 2026. The same observation applies to the first appointment of an “independent person”.

## Amendment regulation 4 (revoking regulation 55 of the 2013 Regulations)

No comments.

## Amendment Regulation 5 (inserting regulation 55A into the 2013 Regulations)

- Inserted regulation 55A(1) requires administering authorities to prepare three documents: a governance strategy, a training strategy, and a conflicts of interest policy. Although the regulation requires authorities to publish updated versions of these documents (see inserted regulation 55A(9)), it does not explicitly require the publication of the first versions.
- In addition, the regulation does not specify when authorities must publish the first

versions of these documents. Presumably, this timing will be addressed in the statutory guidance.

- Inserted regulation 55A(5) indicates that the individuals for whom conflicts of interest must be managed include the senior LGPS officer and the independent person appointed to the committee or sub-committee. However, where the authority delegates any of its functions to the senior LGPS officer, it is unclear whether the authority would also need to manage conflicts of interest relating to the independent person appointed to support the senior LGPS officer.
- Inserted regulation 55A(6) currently states: “An administering may publish...”. The word “authority” should be inserted immediately after “administering”.
- Inserted regulation 55A(7)(a) requires authorities to review the three documents at least once in each valuation period. The first valuation period runs from 1 April 2025 to 31 March 2028. This means that within the period from 1 April 2026 to 31 March 2028, authorities will need to prepare and publish the first versions and then review them. Therefore, for the first valuation period, it may be reasonable to suspend the requirement in regulation 55A(7)(a) to review the documents.

### **Amendment Regulation 5 (inserting regulation 55B into the 2013 Regulations)**

- The amendments to the governance compliance statements appear to suggest that an administering authority cannot delegate any of its functions to an officer of the authority who is not the senior LGPS officer. However, the wording in inserted regulation 55B(1)(c), together with the separate listing of the senior LGPS officer in 55B(2), seems to imply that such an officer could, in fact, have delegated functions.
- Inserted regulation 55B(3) requires relevant persons to have sufficient knowledge and understanding “within a reasonable period after being appointed.” Relevant persons will include those who are members of committees or sub-committees as of 1 April 2026 who were appointed before that date. We assume that statutory guidance will clarify what constitutes a “reasonable period” for these individuals. Additionally, if regulation 55B applies to officers other than senior LGPS officers, the guidance will also need to specify when the reasonable period begins for officers who were appointed before the authority delegated functions to them.
- Further to the meaning of “reasonable period”, will this period only begin once the authority has finalised and published its first training strategy under inserted regulation 55A? Or can the reasonable period begin before then?
- Inserted regulation 55B(1) suggests that an independent person appointed to the committee / sub-committee would need to meet the knowledge and understanding requirement. However, the knowledge and understanding requirement does not appear to also apply to any independent person appointed to support the senior LGPS officer?

- Inserted regulation 55B(3)(a) requires relevant persons to be conversant with “the rules of the Scheme.” Schedule 1 of the LGPS Regulations 2013 defines “the Scheme” as “the scheme established by these Regulations.” This suggests that individuals may not need to be conversant with earlier LGPS regulations covering pre-April 2014 membership or other related LGPS regulations (such as the Management and Investment of Funds Regulations). We assume this is unintentional.
- Inserted regulation 55B(3)(ii) replicates wording from section 248A(2)(b) of the Pensions Act 2004, requiring relevant persons to be conversant with “any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.” In the Pensions Act, this applies to pension board members whose role is focused on governance and administration. However, inserted regulation 55B also applies to members of committees, sub-committees, and senior LGPS officers who may have other responsibilities (such as investments). We assume this should be amended to ensure these individuals are also conversant with documents recording policy on investments.
- Inserted regulation 55B(4) defines the “degree of knowledge and understanding required by paragraph (3).” Since paragraph (3) also includes the requirement to “be conversant” with various rules and documents, should this wording be amended to “required by paragraph 3(b)”? Alternatively, should there be an explicit requirement to define the extent to which a person needs to be conversant with the Scheme rules and associated documents? For example, if a person sits on a sub-committee whose sole function relates to investments, does that person need to be fully conversant with rules and documents concerning pension administration?
- Inserted regulation 55B(4) refers to persons exercising functions delegated by the administering authority. However, the knowledge and understanding requirement also applies to senior LGPS officers, including those who have not been delegated functions. Therefore, is additional wording needed to clarify the extent of knowledge and understanding required in these situations?

### **Amendment Regulation 6 (amending regulation 57(1) of the 2013 Regulations)**

- Draft regulation 6 replaces the reference to including the “governance compliance statement” with the documents required under regulation 55A in regulation 57(1)(e) of the annual report. For the annual report for 2025/26, which must be published no later than 1 December 2026, what should authorities include if, at the time of publication, the authority has not yet finalised its first version of the documents required under the newly inserted regulation 55A? Should they include nothing under regulation 57(1)(e), or should they include the most recent version of the governance compliance statement?

### **Amendment Regulation 7 (amending regulation 58 of the 2013 Regulations)**

- We note that the amended regulation 58(4)(a) requires administering authorities,

from 1 April 2026, to have regard to “guidance given by the Secretary of State” when preparing, maintaining, and reviewing their Funding Strategy Statement (FSS). It is currently assumed that the document titled “Guidance for Preparing and Maintaining a Funding Strategy Statement (FSS) – January 2025” will fall within this category. However, we seek clarification on whether the guidance itself must explicitly state that it is to be treated as guidance under regulation 58(4)(a). This question arises because the January 2025 guidance was produced jointly by the Scheme Advisory Board (SAB), CIPFA, and MHCLG and given by the SAB. As a result, its status under the amended regulation is uncertain. To avoid ambiguity, we suggest that the regulation be amended to explicitly reference the January 2025 guidance (alongside any other guidance issued by the Secretary of State). This approach would remove the need to update the guidance itself to clarify its status.

### **Amendment Regulation 8 (amending regulation 59 of the 2013 Regulations)**

- Amendment regulation 8(a) amends regulation 59(1) of the LGPS Regulations 2013. This amendment introduces a requirement for administering authorities to prepare a pension administration strategy. It also stipulates that the strategy must include all matters specified in regulation 59(2). However, the Amendment Regulations do not prescribe any deadline for authorities that currently do not have such a strategy to produce one, nor for those that have an existing strategy which does not cover all relevant matters to update it. We assume that this point may be addressed within the statutory guidance but think it would be better placed in legislation.
- Furthermore, since each authority is required to act in accordance with statutory guidance when preparing, reviewing, and publishing the strategy, even authorities that already have a strategy covering all relevant matters will still need to review their strategy to ensure compliance with the guidance.
- Amendment regulation 8(c) replaces regulation 59(3). Under this provision, each authority must review its strategy at least once during each valuation period. The first valuation period runs from 1 April 2025 to 31 March 2028. Consequently, an authority that does not currently have a strategy will need to prepare one and review it within the period from 1 April 2026 to 31 March 2028. For these authorities, it may be reasonable to suspend the requirement for a review within that same valuation period (although they would still need to review the strategy if there is a material change to their policies during that period). For authorities with an existing strategy that are required to review it due to the amendments to regulation 59(1) and/or the obligation to comply with statutory guidance, we assume that such a review will count as the required review for the valuation period ending on 31 March 2028.
- Amendment regulation 8(d) introduces regulation 59(6A) into the LGPS Regulations 2013, requiring authorities to act in accordance with statutory guidance when “preparing, updating and publishing” their strategy. For

consistency with other parts of regulation 59, we suggest replacing the term “updating” with “revising” and changing “pensions administration strategy” to “pension administration strategy.” Additionally, should the term “reviewing” also be included?

- Regulation 70(2)(c) of the LGPS Regulations 2013 currently states: “where the administering authority has prepared a pension administration strategy under regulation 59...”. This wording needs to be updated to reflect the amendment to regulation 59, which makes it a requirement to prepare such a strategy.
- Additionally, we note the draft regulations do not include any changes to what the pensions administration strategy should cover. It currently covers:
  - liaison and communication with employers
  - performance levels for the administering authority and employers
  - procedures to ensure compliance with statutory requirements and any agreements about levels of compliance
  - procedures for improving communication between the administering authority and employers
  - setting out when the administering authority would consider charging under regulation 70 for unsatisfactory employer performance
  - publication of annual reports on levels of performance and such other matters deemed appropriate
  - such other matters the administering authority considers appropriate after consulting with employers and other relevant people.
- Administration and the environment it operates in has changed significantly since this regulation was originally drafted. In our view, the requirements of a pension administration strategy should be updated to reflect these changes. We suggest including requirements around communicating with members, data quality (including data reviews, data quality reporting, mortality screening approach etc), reporting breaches to TPR, cyber policy, AI and robotics policies etc.
- We also suggest that the overlap that currently exists between the communications strategy (Regulation 61) and the pension administration strategy be considered.

### **Amendment Regulation 9 (inserting regulation 117 into the 2013 Regulations)**

- Inserted regulation 117(4) states that where the first governance review is a periodic review, it must be carried out “by 31 March 2028.” It is unclear whether this wording permits the review to be conducted on 31 March 2028 itself. If that is the intention, it may be clearer to specify “before 1 April 2028.”
- When applying inserted regulation 117, administering authorities will need to determine the date on which a governance review is considered to be “arranged”. We assume that the statutory guidance will clarify how this date is defined.

- Inserted regulation 117(5) provides that “the period of review” for a first periodic review is “the period between the date on which that first periodic governance review is arranged, and 1 April 2025.” It is unclear whether this period includes both dates, neither date, or only one of them. A similar ambiguity arises from the use of “between” in inserted regulation 117(8).
- Inserted regulation 117(9) states that the authority must treat the cost of arranging the reviews as “an expense occurred in administering the pension fund.” We assume that the correct wording should refer to expenses “incurred.”
- Additionally, the consultation document states that “authorities may [emphasis added] pay the costs of arranging a governance review from the fund,” whereas regulation 117(9) states that they “must” do so. Which is correct?
- Inserted regulation 117(12) requires the administering authority to publish the governance review report as soon as practicable after receiving it. However, there is no requirement to include the text of, or a link to, the most recent governance review report in the administering authority’s annual report. Is this omission intentional?

#### **Amendment Regulation 10 (amending schedule 1 to the 2013 Regulations)**

- Amendment Regulation 10(b) introduces a definition of “valuation period” into Schedule 1 of the 2013 Regulations. This definition states that it “means the period between each valuation date.” The most recent valuation date was 31 March 2025, and the next is scheduled for 31 March 2028. It is unclear if the valuation period includes both, none or one of those dates. We assume the period should begin with 1 April 2025 and end with 31 March 2028.