



**12 February 2026**

**Agenda Item: 10**

**REPORT OF THE SERVICE DIRECTOR, FINANCE, INFRASTRUCTURE AND  
IMPROVEMENT**

**LOCAL GOVERNMENT PENSION SCHEME IN ENGLAND AND WALES: FIT  
FOR THE FUTURE – TECHNICAL CONSULTATION**

**Purpose of the Report**

1. The report updates members of Nottinghamshire Pension Fund Committee on the recent technical consultation that is a key part of implementing the Government's Fit for the Future programme. Committee members are also asked to note the pension fund's response (**Appendix A**).

**Information**

2. In November 2024, the government launched its Fit for the Future consultation, which sought views on proposals designed to unlock the investment potential of the Local Government Pension Scheme (LGPS) through further consolidation, improved governance, and building on successes as a local investor.
3. In May 2025, the government published its response to the consultation feedback, in which it confirmed its intention to implement the majority of the proposals.
4. Primary legislation to implement the reforms is being taken forwards through the Pension Schemes Bill, which is progressing through Parliament. On 20 November 2025, the Government launched a consultation on two draft statutory instruments that will implement the Fit for the Future proposals in conjunction with provisions in the Pension Schemes Bill:
  - The Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026
  - The Local Government Pension Scheme (Amendment Regulations) 2026
5. The reforms will fully consolidate the scheme into asset pools and introduce minimum operating standards for asset pool companies, strengthen the governance of administering authorities and pools, and boost LGPS investment in their localities and regions.
6. The following sections provide a brief summary of the matters included in the draft Regulations.

### ***The Local Government Pension Scheme (Pooling, management and Investment of Funds) Regulations 2026***

7. These regulations will replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and give legal effect to the proposals set out in the pooling and local investment chapters of the Fit for the Future consultation.
8. They will:
  - Require administering authorities to delegate the implementation of their investment strategy to their asset pool
  - Require administering authorities to take principal investment advice from their pool
  - Require all assets to be controlled and managed by the relevant asset pool
  - Provide backstop powers for the Secretary of State to direct AAs to participate in specific pools, and for specific pools to facilitate participation
  - Establish minimum standards for pools, including FCA authorisation and capacity to manage local investments
  - Require compliance from 1 April 2026, subject to passage of the Pension Schemes Bill through Parliament and with limited flexibility in specific cases
9. These regulations will be supported by two lots of guidance: revised Investment Strategy Statement Guidance and a new piece of asset pooling guidance.

### ***The Local Government Pension Scheme (Amendment) Regulations 2026***

10. These regulations will implement the proposals in the governance chapter of the Fit for the Future consultation:
11. They will:
  - Strengthen governance arrangements for administering authorities, including the requirement to appoint a senior LGPS officer and an Independent Person, knowledge and understanding requirements and details of strategies that all funds must statutorily have
  - Require regular governance reviews aligned with valuation cycles
  - Provide powers for the Secretary of State to direct governance reviews where necessary
  - Require compliance from 1 April 2026, subject to the passage of the Pension Schemes Bill through Parliament and with lead in periods for specific requirements
12. These regulations will be supported by guidance on governance, including specific guidance on governance strategies, independent governance reviews, and administration strategies. Separate guidance will also cover independent governance reviews, knowledge and understanding requirements, the senior LGPS Officer and the Independent Person.
13. The government is in the process of engaging with stakeholders on the content of these pieces of guidance.

14. The consultation closed on 2 January 2026. For technical consultations, the council's constitution makes provision for officers to prepare technical responses, which are agreed with the Chair and reported to the next available committee meeting following submission. The Fund's response is attached as **Appendix A** to this report.

15. In preparing its response, the Fund considered comments submitted by other bodies and organisations including:

- The Local Government Association
- The Scheme Advisory Board
- Barnett Waddingham
- Hymans Robertson
- LGPS Central

Discussions were also held with other LGPS Central partner funds.

16. Following consideration of consultation responses, government will finalise the draft regulations before laying them in Parliament. The intention is for the final regulations to come into force on 1 April 2026 subject to the timing of the passage of the Pension Schemes Bill through Parliament.

### **Other Options Considered**

17. The Fund could have chosen not to respond to the consultation, but this option was rejected. Given the measures the programme will introduce that the Fund must implement, it is appropriate for it to review and make representations.

### **Reasons for Recommendation**

18. Officers prepared and submitted a response to the consultation in agreement with the Chair of the Committee in line with the procedure set out in council's constitution. The timing of the consultation meant that it was not possible to bring an earlier report to update committee members.

19. Implementing the Fit for the Future requirements will be a significant workstream for the Fund, so it is important that it takes the opportunity to engage with consultations to help ensure that regulations are clear and raising any queries or concerns that might affect its ability to implement the requirements.

### **Statutory and Policy Implications**

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

21. There are no financial implications arising as a direct result of this report however, the implementation of the Fit for the Future programme will have financial implications for the Fund.

## **Legal Implications**

22. There are no legal implications arising as a direct result of this report, however, the implementation of the Fit for the Future programme, or any failure to implement the requirements, will have legal implications.

## **Local Government Reorganisation Implications**

23. There are no Local Government Reorganisation implications arising as a result of this report however, as part of the arrangements for reorganisation, the new administering authority will need to ensure that the requirements the regulations and statutory guidance are incorporated into its governance arrangements.

## **Human Resources Implications**

24. There are no direct human resources implications arising as a result of this report, however the implementation of the programme will, as the new post of senior LGPS officer will need creating and recruiting to.

## **RECOMMENDATION/S**

- 1) That Nottinghamshire Pension Fund Committee notes the Fund's response to the Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation (**Appendix A**)

### **Nigel Stevenson**

**Service Director Finance, Infrastructure and Improvement**

### **For any enquiries about this report please contact:**

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### **Legal Comments (CM 02/01/2026)**

25. The committee is empowered under its terms of reference to consider the response made to the relevant consultation. Any future changes to legislation arising from the government's consideration of the consultation should be considered separately in due course.

## **Financial Comments (TMR 13/01/2026)**

26. There are no direct financial implications arising from this report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- [Local Government Pension Scheme \(England and Wales\): Fit for the future - GOV.UK](#)
- [Local Government Pension Scheme in England and Wales: Fit for the Future - technical consultation - GOV.UK](#)
- [The Local Government Pension Scheme \(Pooling, Management and Investment of Funds\) Regulations 2026](#)
- [The Local Government Pension Scheme \(Amendment\) Regulations 2026](#)

## **Electoral Division(s) and Member(s) Affected**

- All