

Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation

The Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026

Part 1 – Introductory (Regulations 1 and 2)

Part 1 of the regulations set out citation and commencement details for the regulations (Regulation 1) and definitions of how terms used in the regulations should be understood (Regulation 2).

Question 1

Do you have any comments on the drafting of regulations 1 and 2?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund has no comments on the drafting of regulations 1 and 2.

Part 2 – Investments, funds and borrowing (Regulations 3-6)

Regulation 3 sets out what is included in the term 'investment' for the purposes of these regulations. The regulation is comparable to Regulation 3 of the 2016 regulations.

Regulation 4 defines the amounts that an AA must credit to its pension fund, in addition to those required by virtue of the 2013 and 2014 regulations. This is comparable to Regulation 4 of the 2016 regulations.

Regulation 5 would prevent AAs from borrowing, except where this is required to pay benefits under the scheme or to meet investment commitments arising from a change in asset allocation. This regulation is comparable to Regulation 5 of the 2016 regulations.

Regulation 6 would require all pension fund money to be held in a separate bank account kept with a deposit taker. This regulation is comparable to regulation 6 of the 2016 regulations.

Question 2

Are there any further types of investment that should be included in Regulation 3, or any that are no longer considered relevant?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund suggests including directly held assets, e.g. property and infrastructure within the definitions.

Question 3

Is there any scenario where an authority would still need to borrow to meet the type of commitment outlined in Regulation 5(2)(b) once all assets are pooled?

➤ **Nottinghamshire Pension Fund response**

Potentially. If something goes seriously wrong that prevents Pools from transferring cash to Funds, then other expenses may also need to be funded from borrowing while the situation is resolved.

Question 4

Do you have any other comments on Regulations 3-6?

➤ **Nottinghamshire Pension Fund response**

Nottinghamshire Pension Fund has no other comments on Regulations 3 to 6.

Part 3 – Asset pool companies (Regulations 7-9)

Regulation 7 would require all LGPS AAs to participate in an asset pool company from the day that the regulations take effect. This participation must be for the purpose of the company managing the assets that the AA is responsible for. AAs can only participate in one asset pool at a time, except where they are in the process of transitioning from one pool to another (Regulation 22).

Regulation 8 would require an asset pool company to be regulated by the FCA for, at a minimum, the activities listed in the schedule to the regulations before managing any assets of the scheme. The list in the schedule is not intended to preclude asset pool companies from holding additional authorisations. AAs are also required to take appropriate steps to ensure their asset pool has complied with the requirements of Regulation 8(1) and the Financial Service and Markets Act 2000.

Regulation 9 would allow the Secretary of State to direct an AA to participate, or to not participate, in a particular asset pool. The Secretary of State may also direct the receiving pool to accept the fund as a member. The regulation also sets out who the Secretary of State must consult prior to making such a direction.

Question 5

Are the activities listed in the schedule ones that all LGPS asset pools would reasonably be expected to need in order to carry out the activities expected of them?

➤ **Nottinghamshire Pension Fund response**

Nottinghamshire Pension Fund has no comment in respect of this

Question 6

Do you have any other comments on Regulations 7-9?

➤ Nottinghamshire Pension Fund response

Regulation 8 includes a requirement on AAs “to ensure that the relevant asset pool company has complied with any requirements” under the 2000 Act to carry out regulated activities specified in the schedule to these regulations and in the 2000 Act. This places an onerous burden on AAs that would expose them to potential liability. Therefore, the Fund thinks it would be better to amend the obligation to something along the lines of “to ensure that the relevant asset pool holds the necessary permissions and authorisations under the 2000 Act”.

Part 4 – Investment Strategy (Regulations 10-15)

Regulation 10 would require asset pool companies to provide their participating authorities with advice about their investment strategy. This advice can be developed in house or procured by the asset pool company. AAs may only take advice from sources other than their asset pool company in exceptional circumstances that will be set out in guidance.

Regulation 10 also requires AAs, after considering advice provided to them by their asset pool company, to formulate an investment strategy in accordance with Regulation 11 and guidance issued by the Secretary of State. The government intends to release updated Investment Strategy Statement Guidance in conjunction with these regulations coming into force.

Regulation 10 replaces the requirements in Regulation 7(1) of the 2016 regulations.

Regulation 11(1) sets out what must be included in the investment strategy in implementation of the proposal in [paragraph 28 of the Fit for the Future consultation](#). This replaces the requirements in Regulation 7(2) of the 2016 regulations.

Regulation 11(2) requires an AA’s investment strategy to be consistent with the authority’s funding strategy statement and to have regard to the need to maintain as consistent a primary employer contribution rate as possible.

Regulations 11(3) and 11(4) relate to the high-level objective on local investment that would be required by Regulation 11(1)(f) in implementation of the proposals in [paragraphs 75-77 of the Fit for the Future consultation](#). Regulation 11(3) requires an AA to have regards to the local economic priorities of the relevant strategic authority, including any local growth plan where this is applicable.

Regulation 11(4) exempts the Environment Agency from the requirement to include a high-level objective on local investment in their investment strategy. This is in recognition of the fact that this organisation operates, and members of its two pension funds are based nationally rather than in any one local area.

Regulation 11(5) allows an AA to delegate the formulation of its strategic asset allocation to its asset pool company. Regulation 11(6) replicates the existing requirement in Regulation 7(4) of the 2016 regulations for an investment strategy not to permit more than 5% of an authority’s investments to be invested in entities connected with that authority.

Regulation 12 replaces the existing requirements in Regulation 7(5) and 7(6) of the 2016 regulations. It would require AAs to publish a statement of their investment strategy The first

investment strategy statement must be published within 6 months of these Regulations coming into force. Regulation 12 would also require administering to consult specified persons on their proposed investment strategy prior to publishing it.

Regulation 13 would require asset pool companies to take all reasonable steps to implement an authority's investment strategy, which must be produced in accordance with guidance issued by the Secretary of State. It also requires asset pool companies to give proper consideration to local investment opportunities.

Regulation 14 would require AA to review, revise (if necessary) and publish their investment strategy from time to time and within 18 months of each valuation date. In practice, this means that AAs would have 6 months from the latest date at which they can receive their actuarial valuation data to review, revise and republish their investment strategy. This replaces the requirement in Regulation 7(7) in the 2016 regulations.

Regulation 15 would give the Secretary of State power to direct an AA to change its investment strategy in the event that the Authority have failed to comply with guidance. The Secretary of State would be required to consult the authority prior to making such a direction. This regulation partly replaces provisions in Regulation 8 of the 2016 regulations.

Question 7

Do you agree that the requirements in Regulation 11(2), for the financial objectives in the investment strategy statement to be consistent with the funding strategy statement and to have regard to the requirement to maintain consistent primary employer contribution rates, are helpful?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund agrees, however guidance and regulation should ensure there is clarity around reasonable compromise between the requirements of Regulation 11(2)(b) and Regulation 11(3).

Question 8

In relation to regulation 12, does a deadline of 30th September 2026 allow sufficient time to allow AAs to publish an investment strategy in line with the new requirements?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund believes a deadline of 30 September 2026 would allow sufficient time for AAs to publish an investment strategy in line with the new requirements so long as associated guidance is finalised and published in good time.

Question 9

Are there any other persons (including organisations) in addition to those currently listed in Regulation 12(3) that all AAs should always be required to consult on the contents of their investment strategy?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund would suggest there should be a requirement to consult with the pool company.

Question 10

Is the wording of Regulation 13(1) sufficiently clear that the responsibility for implementing the investment strategy is fully on the asset pool company, while giving sufficient scope for flexibility where market conditions or other factors make it impracticable to fully realise all the aims of the investment strategy?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund believes that the wording in the Regulations could be improved to make this clearer.

Further clarity is suggested around what constitutes “all reasonable steps”. There should also be clarity around prioritisation where there are potentially competing objectives the pool is being asked to manage around scale, efficiency and UK Investment, as well as Fund preference. Clear guidance is required on how conflicts between these interests are expected to be resolved when it comes to the implementation of an AA’s individual Investment Strategy. The pool should therefore evidence how benefits of increased scale were achieved by not implementing a specific request.

Question 11

In relation to Regulation 14, do you agree it is appropriate to link the three-yearly review of the investment strategy to the triennial valuation?

➤ Nottinghamshire Pension Fund response

No, Nottinghamshire Pension Fund does not agree with the Regulation as currently set out. The Fund’s actuary sets the discount rate based on the Strategic Asset Allocation on the date of the valuation. Any changes after this would be expected to be minor or would undermine the basis of the valuation. The Fund is aware that not all actuaries use the same approach to set discount rates, but the regulations should be flexible enough to respond to different approaches.

Question 12

Is 18 months from the valuation date an appropriate timescale for AAs to review, revise, and publish their investment strategy?

➤ Nottinghamshire Pension Fund response

Please clarify whether this is the deadline for publishing a strategy for consultation or whether the consultation must also be completed by this deadline. If this is a fundamental review of strategy informed by the results of the Triennial valuation and then subject to a full consultation, then more time may be required, particularly as pools providing funds with advice on investment strategy statements is a new area of work and expertise will need to be built out.

Question 13

Do you have any other comments on Regulations 10-15?

➤ **Nottinghamshire Pension Fund response**

In 10, the assessment of whether they have received ‘proper advice’ is that of the Pension Fund, which is appropriate where they are appointing the adviser. However, is it also required for Pension Funds to be assessing whether the advice from the pool is ‘proper advice’? Please consider clarifying Regulation 10.

The Fund has some concerns about the change in language in respect of responsible investment and ESG and whether that means pools and not funds will determine the acceptable balance between financial and non-financial considerations around responsible investment, which could affect the Fund’s ability to fulfil its fiduciary duty.

Including a definition of “high-level” would also be of benefit.

Part 5 – Asset Management (Regulation 16)

Regulation 16 would require the funds and other assets of the scheme to be held and managed by the asset pool company within 21 days of an AA first participating in the pool. Where this is not reasonably practicable, the asset pool company is responsible for determining when, and under what arrangements, an asset should be transferred.

Question 14

Is 21 days an appropriate time period for an asset pool company to be managing AA assets?

➤ **Nottinghamshire Pension Fund response**

This is insufficient. The Regulations should take account of the possibility of an emergency change, which would require significantly more time. Where unplanned changes are required, Nottinghamshire Pension Fund has concerns that the 21-day timeframe would create a risk of governance failures, particularly where pools need to build out capacity, capability and products to be able to effectively manage transitioned assets.

Question 15

Do you have any other comments on Regulation 16?

➤ **Nottinghamshire Pension Fund response**

Please define ‘held’? This appears to imply ‘has custody of’. However, this is not anticipated for legacy private assets, and some public assets could not be transitioned in these timescales. This needs clarifying, and the timescales reviewing according to the intention.

The Fund welcomes backstop provisions that assets do not need transferring to a pool within the otherwise required timescales where it is impractical to do so however Regulation 16 places power in respect of this to the pool. This places AAs in a difficult position in respect of resourcing as to how to retain expertise to aid asset management prior to the transfer of actual ownership to the Pool. This could

generate expectations on the AA that they may find difficult to manage because the arrangements would be dictated by the pool.

Part 6 – Local Investments (Regulation 17)

Regulation 17 would require AAs to co-operate with the relevant strategic authority to identify and develop appropriate local investment opportunities. This requirement may be delegated to the AA's asset pool company and does not apply to the Environment Agency. The relevant strategic authority is defined in Regulation 2.

Question 16

Do you have any comments on Regulation 17?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund suggests that it would be helpful to define the terms “co-operate” and “develop”. Funds may not have access to the skills and expertise to successfully achieve this, which may increase appetite to delegate to pools; what would happen if a pool was unable/unwilling to take this on? Where Funds delegate this to pools is additional regulation required for pools to build out capacity? Where capacity or expertise does not exist, could the pool delegate to external parties that have the required expertise. Guidance to assist Funds in respect of this would be valuable.

Part 7 – Guidance and Directions (Regulations 18 and 19)

Regulation 18 would permit the Secretary of State to issue guidance to AAs and asset pool companies about certain matters specified in the regulation.

Regulation 19 would allow the Secretary of State to direct an asset pool company to comply with guidance, and to direct an asset pool company to carry out particular investment management activities in a manner specified in the direction. Regulation 19 also clarifies the circumstances in which these directions can be given and requires that certain specified bodies are consulted prior to directions being given.

Question 17

Do you agree with the list of issues that the Secretary of State can issue guidance about in Regulation 18?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund believes that greater detail is required on the circumstances and areas in which guidance can be drafted on these topics. There is concern that the drafting may create an environment in which there is an overreaching of power. Specifically, the Fund has concerns about the government's ability to issue guidance that could affect an authority's role in setting its own investment strategy, which is key to them being able to fulfil their fiduciary duty.

Question 18

Do you have any other comments about Regulations 18 or 19?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund believes these Regulations would not enable any direction in breach of its fiduciary duty as this would constitute 'good reason'. This is welcome. The draft guidance makes this even clearer.

The Fund does believe that the circumstances in which government would consider it necessary to issue a direction to a pool should be set out, together with procedural requirements to first set out the reasons and an opportunity for a pool to respond.

Part 8 – Consequential amendments, revocations and transitional provisions (Regulations 20-22)

Regulation 20 details the amendments that would be required to the 2013 regulations to allow these regulations to work properly.

Regulation 21 would revoke the 2016 regulations. It would also allow that until an authority has published its first investment strategy in compliance with these regulations, or until 29 September 2026 at the latest, Part 4 of these regulations would only apply to the extent necessary to enable the authority to formulate and publish its investment strategy.

Regulation 22 would exempt an AA that is changing asset pool from the requirement to participate in only one asset pool, for a period of 28 days. This is to allow the AA to be a member of both its old and new asset pool company while the transition is taking place.

Question 19

Is there anything in the 2016 regulations that needs to be replicated here in some form to allow the scheme to operate as intended?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund notes the regulations remove the ability of administering authorities to appoint asset managers. Overlooking the fact that the pool is an asset manager, prior to the transfer of the ownership or management of assets to the pool, the existing relationship with managers will need maintaining/transferring. What happens if this process has not been fully completed by 1 April 2026, since pools are still developing their own capacity?

Question 20

Is 28 days an appropriate length of time to allow an AA to participate in both its 'old' and 'new' pool to allow transitional processes to take place?

➤ Nottinghamshire Pension Fund response

The term 'participate' needs defining. Even if only investment management is transferring (with company governance and custody unaffected) this is a short

timescale. The pool companies are best placed to comment on an appropriate timeframe.

The draft guidance recently provided seems to imply that they should cease to be a shareholder of the pool in this timeframe. Nottinghamshire Pension Fund does not believe this is an appropriate length of time as there may be a requirement to wind down a company. There is a recognition that the AA may need to have an 'ongoing relationship' with their previous pool and it should be recognised that this could include being a shareholder. It is the responsibility for managing the assets which should only be with one pool at a time, and the guidance should clearly refer to this element.

There is concern that, with the 28 day timescale being so short, there is a risk of governance failures created through rushed decisions and processes and where safeguards are either not in place or missed. Moving pools is a complex task that carries significant risk; it is also costly and time consuming.

Question 21

Do you have any other comments about Regulations 20-22?

➤ **Nottinghamshire Pension Fund response**

Nottinghamshire Pension Fund has no other comments in respect of Regulations 20 to 22.

Overarching questions

Question 22

Is there anything else that should be included in these Regulations to allow them to deliver their intended impact? Are there any additional provisions in the 2016 Regulations that need to be replicated here in some way?

➤ **Nottinghamshire Pension Fund response**

Nottinghamshire Pension Fund notes that the Regulations are silent on oversight of asset pools. Checks and balances are key to administering authorities' ability to monitor their pool. The Fund suggests that these are of such significance they should be included in the Regulations.

Question 23

The government collected views on whether the reforms would benefit or disadvantage protected groups when consulting on the Fit for the Future policy proposals in autumn 2024. Is there anything in these regulations that you think will disproportionately impact groups with protected characteristics relative to other groups?

➤ **Nottinghamshire Pension Fund response**

Nottinghamshire Pension Fund has nothing to add

The Local Government Pension Scheme (Amendment) Regulations 2026

This draft statutory instrument is designed to deliver the policy proposals from the governance chapter of the Fit for the Future consultation and the associated government response. The statutory instrument makes changes to the Local Government Pension Scheme Regulations 2013 ('LGPS Regulations 2013').

The regulations would be made using the existing powers in the Public Service Pensions Act 2013 and the new powers in the Pension Schemes Bill. They will be supported by guidance on governance, including guidance on governance strategies, independent governance reviews and administration strategies. The government intends to issue guidance in conjunction with the regulations coming into force.

Part 9 - Governance strategy, training strategy and conflict of interest strategy

The statutory instrument revokes Regulation 55 of the LGPS Regulations 2013 (which requires AAs to produce a governance compliance statement) and inserts new Regulation 55A into the LGPS Regulations 2013. Regulation 55A(1) creates the overall requirement for an AA to prepare a governance strategy, a training strategy, and a conflict of interests policy. Regulation 55A(6) sets out that the three documents may be combined, but that this is not a requirement.

Regulation 55A(2) sets out what a governance strategy is and what it must contain. It mirrors the existing requirements for what must be included in a governance compliance statement in current Regulation 55, with two additions. The first addition requires AAs to set out how the views of members and employers are taken into account, if there are no representatives on the pension committee. The second addition relates to the new requirement to appoint an independent person to the pension committee.

Regulation 55A(3), (4) and (5) define the new requirements for a training strategy and a conflict of interests policy.

Regulation 55A(7) sets out that the three documents must be reviewed at least once in each valuation period, or if there is a significant change to any of the matters contained within them.

Regulation 55A(8) and (9) set out that the AA must consult such persons as it sees appropriate when preparing or updating any of the three documents, and must publish the documents. This mirrors existing Regulation 55(3) and (4).

Regulation 55A(10) sets out that AAs must act in accordance with guidance on any of the three documents.

Regulation 55A(11) defines terms.

Question 24

Do you agree that new Regulation 55A delivers the government's intent for the governance strategy, training strategy and conflict of interest policy, in line with the Fit for the Future consultation and response?

➤ Nottinghamshire Pension Fund response

Yes, Nottinghamshire Pension Fund believes that Regulation 55A as written would deliver the government's intentions regarding the requirements for Funds to have a governance strategy, training strategy and conflict of interest policy. It may be appropriate to add the Local Pensions Board to the list of those to whom the conflicts of interest policy applies.

Guidance on what needs including in the Training Strategy, together with clear guidance about the contents of the governance strategy would be greatly appreciated. Indications within other guidance is helpful but without specific guidance Funds will be drafting their strategies based on what they infer from other guidance.

55A 6) is missing the word 'Authority'.

Part 10 - Senior LGPS officer

The requirement for a senior LGPS officer, as proposed in the Fit for the Future consultation and government response, is created by new Regulation 53A of the LGPS Regulations 2013. It will come into force on 1 October 2026 in respect of the first appointment, any subsequent appointments must be made within 6 months of the date on which the previous senior LGPS officer's appointment ended.

Regulation 53A(1) sets out the requirement to appoint a senior LGPS officer, and 53A(3) defines the officer's role. The new regulation also requires that AAs must appoint senior LGPS officers, and senior LGPS officers must carry out their roles in accordance with guidance issued by the Secretary of State. Some administering authorities may have officers who already fulfil a similar role, and these officers can be appointed as the senior LGPS officer, provided that they meet the new requirements and are in accordance with guidance.

Regulation 53A(4) also sets out that the same person cannot hold both the role of senior LGPS officer and the local authority's section 151 officer, head of paid service or monitoring officer. Regulation 53A(9) clarifies that the creation of the new role does not affect the existing responsibilities of the section 151 officer. The statutory guidance will go into more detail on how the two roles interact.

Regulation 55A(2) sets out that where an administering authority delegates its functions an officer rather than a committee or sub-committee, it must be to the senior LGPS officer.

Question 25

Do you agree that new Regulation 53A delivers the government's intent for the senior LGPS officer in line with the Fit for the Future consultation and response?

➤ **Nottinghamshire Pension Fund response**

Yes, Regulation 53A as written would deliver the government's intentions regarding the senior LGPS officer subject to the issuing of the corresponding guidance but the Fund would welcome some flexibility where AAs have started the recruitment process but been unable to complete it by the deadline.

Part 11 – Independent person

The requirement for an independent person, as proposed in the Fit for the Future consultation and government response, is created by new Regulation 53A of the LGPS Regulations 2013. It will come into force on 1 October 2026 in respect of the first appointment, any subsequent appointments must be made within 6 months of the date on which the previous independent person's appointment ended.

Regulation 53A(5) and (7) sets out the requirement, where an AA delegates to a committee or subcommittee, to appoint an independent person as a non-voting to advise on all matters relating to the scheme (such as administration, investment and governance). Regulation 53A(6) and (7) sets out that where an AA delegates to the senior officer, an independent person must be appointed to support them.

Regulation 53A(8) sets out that appointment must be in accordance with guidance issued by the Secretary of State.

Question 26

Do you agree that new Regulation 53A delivers the government's intent for the independent person in line with the Fit for the Future consultation and response?

➤ **Nottinghamshire Pension Fund response**

There is some ambiguity between the Fit for the Future response and Regulations. It is unclear whether this ambiguity is created by a change in nomenclature or an adjustment in intent. Insofar as the government's intent was clear the drafting of Regulation 53A seems consistent.

The Fund has some concern about whether the pool of individuals who could fill this role is sufficient and the impact this could have on the timeline for appointment, both in the first instance and at such time as it becomes necessary to reappoint, particularly in the event the reappointment is unplanned.

The Fund would also welcome some flexibility where AAs have started the appointment process but been unable to complete it fully by the deadline.

Part 12 - Knowledge and understanding

The requirement for knowledge and understanding requirement for relevant persons, is created by new Regulation 55B of the LGPS Regulations 2013 which mirrors the requirements on pension board members under section 248A of the Pensions Act 2004.

Regulation 55B(1) and (2) defines relevant persons.

Regulation 55B(3) defines the degree of knowledge and understanding required as being conversant with the rules of the Scheme and any document recording policy about the administration of the Scheme, in addition to knowledge and understanding of the law relation to pensions.

Regulation 55B(4) sets out that the requirements apply within a reasonable period of being appointed.

Question 27

Do you agree that new Regulation 55B delivers the government's intent for the knowledge and understanding requirements in line with the Fit for the Future consultation and response?

➤ Nottinghamshire Pension Fund response

While Nottinghamshire Pension Fund recognises that there will be guidance that supports these provisions, a broader statement about the knowledge required to properly exercise their function beyond scheme rules, policies and pensions law would be valuable here. There is no mention in the Regulations about knowledge around investments or corporate governance insofar as it relates to pool companies. Under the arrangements, committees remain responsible for setting the investment strategy and strategic asset allocation, they are also responsible for the oversight of the pool company.

The Fund is also interested in the draft guidance, which requires that any functions delegated to an officer should be delegated to the senior LGPS officer. This is not consistent with the wording in the draft Regs, which indicates that functions can be delegated to officers but does not specify the senior LGPS officer.

Under the guidance, would this delegation to the senior LGPS officer be the limit or, as with delegations in other areas, could the senior LGPS officer make onward delegations to suitably qualified/trained officers with appropriate knowledge and skills – this onward delegation feels consistent with the wording of the draft Regs.

The draft detailed guidance also talks about contingency planning and cover arrangements so it seems very limiting if the senior LGPS officer cannot delegate further. If the senior LGPS officer is the limit, then clarity is required in the Regs about the extent of matters covered by the delegation to ensure that there is no bottleneck that prevents Funds from carrying out their core functions. If that is not the limit, then the guidance requires additions for the purposes of clarity.

Part 13 - Administration strategy

The statutory instrument makes amendments to Regulation 59 of the LGPS Regulations 2013 to require administering authorities to prepare an administration strategy, rather than making this optional (as is currently the case).

The statutory instrument also creates requirements that the administration strategy must be reviewed at least once in each valuation period and must be in accordance with guidance issued by the Secretary of State.

Question 28

Do you agree that Regulation 59 delivers the government's intent for the administration strategy in line with the Fit for the Future consultation and response?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund agrees that Regulation 59 delivers the government's intent for the administration strategy in line with the Fit for the Future consultation response and understands that supporting guidance will also be provided.

Part 14 - Independent governance reviews

The requirement for independent governance reviews, as proposed in the Fit for the Future consultation and government response, is created by new Regulation 117 of the LGPS Regulations 2013, and enabled by clause 5 of the Pension Schemes Bill.

Regulation 117(1) sets out the requirement to arrange for independent governance reviews, and regulation 117(2) sets out the power for the Secretary of State to direct an authority to arrange an ad hoc independent governance review. 117(3) sets out that the period of review in respect of an ad hoc governance review is specified by the Secretary of State.

Regulation 117(4) sets out the requirement for the first periodic governance review to be arranged (if the authority is not required to arrange an ad hoc governance review before then) by 31st March 2028. Regulation 117(5) sets out that the period of review in a periodic governance review is between the date on which that first periodic governance review is arranged and 1st April 2025.

Regulation 117(6), (7), and (8) set out when further periodic governance reviews are required to take place and the period of review which they cover. The effect is that an authority will be required to arrange a governance review at least once in every valuation period, and that the review will cover the period since the last governance review was arranged.

Regulation 117(9) sets out that authorities may pay the costs of arranging a governance review from the fund.

Regulation 117(10) defines a 'suitable person' who can carry out a governance review as being a person who is independent of both the Secretary of State and the authority and who has sufficient knowledge and understanding of the rules of the Scheme.

Regulation 117(11) sets out that the suitable person must carry out the governance review in accordance with guidance issued by the Secretary of State, and that after completing the review, they must send a copy of their report as soon as practicable to the Secretary of State and the AA.

Regulation 117(12) and (13) and that the AA must publish the report as soon as practicable, and in accordance with guidance issued by the Secretary of State.

Question 29

Do you agree that new Regulation 117 delivers the government's intent for the independent governance reviews in line with the Fit for the Future consultation and response?

➤ Nottinghamshire Pension Fund response

Nottinghamshire Pension Fund believes that new Regulation 117 would deliver the government's intention for independent governance reviews in line with the Fit for the Future consultation and response, and subject to the issuing of guidance.

The deadline of 31 March 2028 for completing the first review is of some concern, since the Fund will need to procure someone to carry out the review who is independent of the AA. This may be a challenge for some funds where there is a current relationship with multiple providers on the suggested frameworks included in the draft guidance, which has been shared. Demand for services will be high which means some authorities may have difficulty appointing a provider and finding a suitable window in which the review could be conducted.