

# Scheme Advisory Board

12 May 2025

Torsten Bell MP  
Parliamentary Under-Secretary of State (Minister for Pensions)  
His Majesty's Treasury/Department for Work and Pensions

Jim McMahon MP  
Local Government Minister  
Ministry of Housing, Communities and Local Government

Dear Ministers,

## **Pooling of Local Government Pension Scheme (LGPS) Assets**

The [Local Government Pension Scheme Advisory Board](#) (the Board), met last week and agreed to write to you to ask for a meeting to discuss the proposed course of action set out in the recent letters sent to the eight LGPS investment pools as part of the Government's flagship Pensions Review.

The Board, which I have had the honour of chairing since 2016, was established to advise Ministers on the desirability of making changes to the Scheme. We also work very closely with LGPS administering authorities on management, governance and administration issues, giving us a unique perspective into how change can be delivered in practice, across the 86 funds in England and Wales.

The Board shares the objectives of the Government in relation to closely managing investment costs and generating strong, long-term returns from the assets which we are responsible for stewarding. The Board has also supported the growing focus on local investments as part of achieving positive social impacts in the United Kingdom – be that in smaller local projects or through renewing our vital national infrastructure.

The Board has some concerns with the pace of change proposed in the pooling letters. We believe that more time will be needed to realistically implement the Government's proposals and not put the Scheme at risk. The pace of change requested is partly due the understandable desire to minimise transition risk and move as quickly as possible to the new arrangements. However, the sector's shared and unanimous experience, from having built the existing eight pools, is that the changes asked for cannot be delivered with the care needed within the proposed timescale.

This would be the case even in the best of times, but the next 12-18 months is already set to bring challenging and competing pressures on pension officers, senior statutory officers, elected members.

To give some examples, pension committees need to give attention to the administrative challenges still posed by;

- ongoing implementation of the McCloud remedy;
- connection to Dashboards, and

# Scheme Advisory Board

- demonstrating compliance with the new Pensions Regulator Code of Practice.

In addition, MHCLG will be introducing multiple legislative changes this year, including:

- changes to member benefits;
- revised governance arrangements; and
- introducing new Fair Deal.

Local Government Reorganisation will also require considerable senior officer and member attention and rightly raise questions over the appropriate geography of LGPS administering authorities. These factors, combined with the considerable change in council administration and pension committee composition since the local elections earlier this month, have created a “perfect storm” of significant pressures on the Scheme.

We would welcome the opportunity to meet with you to start a dialogue about some of the constraints and difficulties that are being experienced on the ground now, and try to reach agreement on an alternative, mutually acceptable, plan for the future.

The Board members, as stewards of the Scheme, agreed unanimously that I should write to you asking to extend the deadline and give funds and pools the time they need to ensure that they properly fulfil their fiduciary duties. We would be doing a dis-service to our seven million members, and all of those involved in managing the scheme, if we did not make this urgent request for you to reconsider.

I look forward to engaging with you on these important issues.

Yours sincerely,



Cllr Roger Phillips  
Chair, Local Government Pension Scheme Advisory Board



Jon Richards  
Vice-Chair and Unison Assistant General Secretary