

Paper B: Fit for the Future next steps

Key points to note

The secretariat has been considering the immediate focus of work following the introduction of the relevant legislation bringing in the government's Fit for the Future proposals. Whilst implementation remains targeted for 1 April 2026, although there is still no firm date on Royal Assent for the Pensions Bill, this could mean a delay in secondary legislation and relevant guidance being available for administering authorities. We have been working closely with Ministry of Housing, Communities and Local Government (MHCLG) officials to understand priorities and some of the contingencies around the passage of the Bill and drafting of the necessary regulatory amendments. The secretariat intends that the working groups in this committee will continue as currently set-up to help support a smooth implementation of Fit for the Future proposals, monitor new arrangements and produce additional guidance, as required.

Recommendation

That the committee notes this update and discusses the further support that AAs might need following the implementation of Fit for the Future and for the committee to recommend to the Board for the 2026 CRC workplan.

Background

On 23 December 2025, [the Board issued its response](#) on the draft regulations entitled [the 'Local Government Pension Scheme \(Pooling, Management and Investment of Funds\) Regulations 2026](#) and [the Local Government Pension Scheme \(Amendment\) Regulations 2026](#).

Then on the 9 January 2026, [the Board issued its response](#) to the draft guidance consultation covering the Investment Strategy Statement, pooling and governance documents. Although a closed consultation, the Board's response was shared publicly for transparency with LGPS stakeholders.

In its response the Board recognised the government's desire to make progress swiftly after several years of limited policy movement in the scheme.

However, risks were identified that the changes are being introduced simultaneously across almost every aspect of the scheme—including member benefits, fund governance and pooling arrangements.

These factors create risks both for MHCLG—in terms of policy being implemented hastily, inconsistently or in ways that diverge from its underlying intent and for AAs, which may face sub-optimal implementation outcomes or even potential enforcement action by TPR or MHCLG if requirements are misunderstood.

During recent working group meetings, members have provided invaluable contributions in identifying key issues and clarifying the important questions that need to be addressed in the final guidance documents. This collective input has played an essential role in shaping the Board's understanding of the key themes arising from the consultations.

Considerations

Following publication of the draft guidance, the Board has continued to engage with administering authorities (AAs), pools, and MHCLG officials. This has included reviewing consultation responses, identifying areas requiring clarification, and considering the practical implications for funds. What is clear that any amendments, following the consultation, need to be shared with AAs as soon as possible.

Once final guidance is issued, the Board will continue to work collaboratively with AAs, pools and MHCLG to support a smooth implementation period and to monitor the new arrangements, allowing for further refinement where necessary.

Looking ahead, the Board intends to work with MHCLG to develop a detailed and deliverable LGPS roadmap, including drafting supplementary guidance for areas either not covered in the final publications or areas which AAs require more detail.

The secretariat has identified several areas within the governance guidance where further work from the Board may be required. The Board will also need to monitor the implementation of the new arrangements and determine whether administering authorities require additional support. The secretariat believes the following areas may need further support for AAs particularly in relation to:

- Guidance on creating the Governance Strategy, Training Strategy and

Conflicts of Interest policy (similar to the Board's previously issued Funding Strategy Statement (FSS) guidance)

- Knowledge and understanding supplementary guidance on key areas of knowledge
- How funds deal with reporting of breaches specific to the scheme to the Pensions Regulator (TPR), including specifically breach recording, materiality assessing and reporting
- Guidance for Local Pension Boards (cover in item 9, paper F)
- How the Independent Governance Review fits with the Board's peer support offer
- Monitor the implementation of the independent person role, including understanding challenges and best practice examples of introducing this role to be shared across LGPS.
- Monitor the implementation of Senior LGPS officer role and the changing role of the pools, including understanding challenges and best practice. And whether existing communication channels support communication between the board, Senior LGPS Officer and the pools (including the Board's new pooling steering group) or whether any new communication channels are needed.