

LGPS Governance

What administering authorities need to know -
and do - now

Independent scrutiny. Stronger governance. Practical implementation.

A concise guide to the governance framework,
the Independent Person, Independent
Governance Reviews and practical readiness.

The governance bar has moved

The 2026 reforms make governance expectations more explicit across the LGPS in England and Wales. Administering authorities now need to treat the framework as a connected system: senior accountability, independent scrutiny, knowledge and understanding, governance and training strategies, periodic independent review and evidence that agreed actions are implemented in practice.

The practical point

This is not simply a documentation exercise. Strong governance needs to be visible in the way committees and officers test advice, manage risk, oversee administration and investment, record decisions, manage conflicts and follow through on agreed actions.

The framework at a glance

LGPS Senior Officer

Senior accountability for ensuring the Fund's LGPS responsibilities are appropriately managed and resourced - including administration, investment, funding, governance, risk and controls, business planning, budget, professional advice, workforce and pool oversight, and senior stakeholder management.

Independent Person

Independent professional expertise, scrutiny and constructive challenge to both the Pension Committee and the LGPS Senior Officer. This is a new statutory governance role introduced by the LGPS (Amendment) (Governance) Regulations 2026.

Knowledge and understanding

Role-specific expectations for those making and scrutinising decisions, supported by training needs assessment, records, induction and ongoing assessment, to properly exercise the functions delegated to them.

Independent Governance Review

Periodic independent assessment of whether governance arrangements comply with requirements and operate effectively in practice, aligned with the triennial valuation cycle, undertaken by an independent reviewer and covering the minimum statutory review areas.

Key timing

- The first periodic Independent Governance Review must be completed during the valuation period ending 31 March 2028.
- Subsequent IGRs operate on the LGPS valuation cycle; the interval between reviews is not necessarily exactly three years.
- Following an IGR, the administering authority must publish an action plan within six months of receiving the review.
- The Pension Committee and Local Pension Board should review implementation within twelve months.

Independent Person: what good looks like in practice

The Independent Person is primarily a governance, scrutiny and challenge role supporting the LGPS Senior Officer and Pension Committee. In most administering authorities the role supports the committee rather than becoming a committee member. At single-purpose pensions authorities, the Independent Person may also serve as a voting or non-voting committee member. The role is intended to strengthen scrutiny and decision-making through independent professional expertise, objective insight and constructive challenge.

The role is broader than governance policy

Current authority specifications consistently expect the Independent Person to understand and challenge across governance, investment, funding, pension administration, risk, regulatory compliance and the Fund's relationship with its investment pool.

The capabilities authorities are actually asking for

- Strong analytical ability, including interpretation of complex actuarial, investment, governance and administration information.
- Clear communication with non-specialists and the ability to distil complex matters into useful questions and decisions.
- Preparation for meetings, including careful review of papers and identification of areas requiring assurance or further enquiry.
- Integrity, confidentiality, political impartiality and high standards of professional conduct.
- The ability to build constructive working relationships while remaining independent.
- Strong pensions expertise, combined with critical thinking, strategic judgement, and the ability to communicate and influence effectively.
- Ongoing professional development and a commitment to maintaining current LGPS and wider pensions knowledge.
- A focus on continuous improvement, member and employer outcomes and practical follow-through.



Independent thought

Test assumptions, reports and recommendations rather than accepting the prevailing view at face value.



Constructive challenge

Ask probing questions in a balanced and proportionate way that improves decisions without creating unnecessary friction.



Whole-of-fund perspective

Understand how governance, investment, funding, administration, risk, pooling and member and employer outcomes interact.



Public-sector judgement

Work credibly around elected members, senior officers, democratic accountability, formal delegations, committee structures and public decision-making.

Independent challenge - not another adviser

The strongest Independent Person model does not duplicate the Fund's existing specialists. It helps the Pension Committee and LGPS Senior Officer understand, interrogate and use specialist advice effectively.

Actuary

Funding and valuation advice

Investment Adviser / Pool

Investment and implementation expertise

Legal / Administration

Technical and operational advice

Other Specialists

Advice and project expertise

Pension Committee + LGPS Senior Officer

Accountability, scrutiny and decision-making

Independent Governance

Scrutinise - connect - challenge - test
assurance - follow through

A useful test

If the Independent Person starts producing substitute actuarial, investment or legal advice, the role boundary has probably become blurred. The value lies in testing, connecting and challenging the advice already available to the authority.

What scrutiny can cover

- Reports and recommendations from officers, advisers, actuaries, investment consultants, investment managers and the LGPS investment pool, and scrutiny of all advice received.
- Investment strategy, asset allocation, performance, responsible investment and pooling arrangements.
- Funding and actuarial considerations, including the interaction between funding stability, employer affordability, risk, and return strategies.
- Administration performance, statutory deadlines, KPIs, data, controls, service delivery and member experience.
- Governance, administration and training strategies, risk management and internal controls.
- Action plans arising from governance reviews and evidence that agreed improvements are being implemented.

Independence and conflicts: design the appointment carefully

Independence is part of the product. The statutory guidance requires both actual and perceived independence, alongside robust identification and management of conflicts of interest.

Professional trustee firms can be appointed

An administering authority may procure a professional trustee firm to provide the Independent Person. One individual must be named to fulfil the statutory role, although colleagues within the firm may support the discharge of the role.

The independence tests are not identical

The rules for an Independent Person and an Independent Governance Review apply different tests and relevant periods. For an Independent Person, the guidance also distinguishes between the named individual and a firm providing the role. For an IGR, independence is assessed against involvement in the authority's pension function both at the time of the review and during the period being reviewed.



Named Independent Person

Check the individual's employer, current services and the relevant two-valuation-cycle look-back.



Firm supplying the role

Check the firm's current services and the relevant previous-valuation-cycle look-back.



IGR provider

Check whether the reviewer or legal entity is engaged in the pension function now or was engaged during the period being assessed.



Ongoing conflicts

Maintain a clear process for declaration, review, escalation and management throughout the appointment.

The practical point

Design future Independent Person, governance-support and IGR procurements together. Check the individual, legal entity, services provided and relevant periods before commissioning work.

Preparing for the first Independent Governance Review

The strongest preparation is not a last-minute compliance exercise. It is an organised evidence base showing how governance works in practice.

Start with evidence, not presentation

Governance framework

Governance strategy, terms of reference, delegations, committee and board arrangements, conflicts and decision records.

Knowledge & training

Training strategy, individual records, induction, knowledge assessment and evidence of continuing development.

Risk & controls

Risk registers, internal controls, assurance, audit findings, escalation processes and evidence that controls are monitored.

Administration

Service standards, KPIs, data quality, statutory deadlines, complaints, communications and continuous improvement.

Investment & pooling

Investment governance, pool oversight, implementation monitoring, stewardship, performance and decision records.

Business planning

Fund business plan, budget, workforce and resourcing, priorities, reporting and links between governance actions and delivery.

Policies in practice

Evidence that required policies are not only approved, but used, monitored and refreshed.

Action tracking

Recommendations, owners, deadlines, evidence of completion and committee or board oversight.

Knowledge must be evidenced, not assumed

The Training Strategy should support role-specific knowledge requirements, training-needs assessment and tailored development. Training records should be maintained and knowledge and understanding assessed annually. For new committee and board members, authorities should aim to complete comprehensive induction within three months of appointment or before the first meeting, whichever is sooner, subject to practical circumstances.

LGPS governance readiness checklist

Use this as a quick self-assessment. A 'no' or 'not evidenced' answer does not automatically mean non-compliance, but it identifies where further work may be sensible.

- ☐ We have clear, current terms of reference, delegations and role descriptions for the Pension Committee, Local Pension Board and senior officers.
- ☐ The Pension Committee's responsibilities and delegations are clearly defined.
- ☐ The Local Pension Board's oversight role is clearly distinguished from the Pension Committee.
- ☐ Our governance strategy reflects the 2026 framework and is understood by all those responsible for delivering it, including the Independent Person.
- ☐ We have a robust and current conflicts of interest policy.
- ☐ We can evidence individual knowledge and training, not simply attendance at generic training sessions.
- ☐ Committee papers clearly identify decisions required, material risks, alternatives and the implications of recommendations.
- ☐ We have a consistent way of recording challenge, decisions, actions and follow-up.
- ☐ Our risk register and internal controls are actively used to support oversight rather than maintained as static documents.
- ☐ Administration performance reporting covers service delivery, data, statutory deadlines, controls and member experience.
- ☐ Members receive effective communications.
- ☐ We have a properly resourced business plan.
- ☐ We have clear oversight of investment implementation and our relationship with the LGPS investment pool.

Readiness: what to test next

- Conflicts are identified, declared, reviewed and managed in a way that addresses actual and perceived independence.
- Our key governance, administration and training policies are implemented and monitored in practice.
- The LGPS Senior Officer has a clear line of sight over resourcing, business planning, budget and delivery priorities.
- We can demonstrate how external advice is scrutinised and how the committee reaches its own evidence-based decisions.
- Recommendations from audits, reviews or assurance work have named owners, deadlines and evidence of completion.
- We have considered the independence and procurement implications of the Independent Person and future IGR roles.
- We know what evidence we would provide if an Independent Governance Review began next month.

What an IGR will actually test

The statutory minimum goes beyond policy documentation. Reviewers are expected to examine business planning and performance; governance and internal controls; committee and senior leadership; risk; member and employer communications; required strategies and policies; administration; funding; investment and pooling; breaches and regulatory compliance; contract management; whether there is a clear RACI; and whether there is a skills matrix to identify gaps in knowledge and understanding. The review should test whether arrangements are implemented and working in practice, not simply whether documents exist.

How to interpret your answers

A 'no' or 'not evidenced' answer matters most where a statutory requirement is involved; ownership is unclear; current evidence cannot be produced; the issue has appeared in previous audit or assurance work; or the weakness could materially affect decisions, controls, member or employer outcomes, regulatory compliance or delivery. Prioritise by significance and evidence, not by the number of boxes ticked.

Understanding IGR findings

The final guidance requires relevant areas to be rated individually rather than producing one overall score for the Fund.

Rating	What it indicates
Gold	Legal requirements and statutory guidance met, with excellent practice and implementation.
Green	Requirements met with effective governance and monitoring.
Amber	Improvement required in some areas, although Fund operation remains effective.
Red	Material governance or monitoring weaknesses and/or ineffective operation identified.

Where an IGR identifies non-compliance

Materially significant breaches should be reported to The Pensions Regulator. The governance process should therefore include a clear route for identifying, assessing, escalating and recording potential breaches - not simply correcting documents after the review.

Publication and follow-through

The IGR report is provided to the administering authority and Secretary of State and must be published. The authority then publishes an action plan within six months. The Pension Committee and Local Pension Board should review implementation within twelve months.

From review findings to governance improvement

An IGR is not the end point. The statutory framework requires action planning and subsequent review of implementation, so the quality of follow-through matters.

A practical action-plan structure



Six disciplines that make action plans work

- **Prioritise** - distinguish material governance issues from lower-value housekeeping.
- **Name an owner** - committee-level accountability is not a substitute for a person responsible for delivery.
- **Use evidence** - define in advance what will demonstrate that an action is genuinely complete.
- **Report consistently** - use the same status and escalation approach across committee and officer reporting.
- **Link actions to risk and business planning** - governance improvements should connect to the Fund's wider priorities.
- **Close the loop** - confirm that the change has worked in practice, rather than treating document approval as completion.

A useful mindset

Governance improvement should reduce ambiguity, improve the quality of information and decisions, strengthen assurance and make it easier to see whether agreed actions are actually happening.

Five questions to take to your next Pension Committee meeting

What decision are we actually being asked to make?

Good papers should make the decision, alternatives, material risks and consequences clear enough for members to exercise judgement rather than simply note a recommendation.

What assumptions sit behind this advice?

Ask what would need to be true for the recommendation to work, what could change the conclusion and whether alternative options have been considered.

What does this mean for members, employers and the Fund's wider objectives?

A technically sound recommendation can still create operational, affordability, communication or governance consequences that need to be understood.

How will we know whether the decision has worked?

Define measures, reporting and trigger points before the decision is made. Oversight is stronger when the committee knows what evidence it expects to see later.

What happens next - who owns it and when will we see it again?

Record ownership, timing and the evidence expected. Follow-through is part of governance, not an administrative afterthought.

Why these questions matter

Used consistently, they help create the conditions for constructive challenge and stronger governance without turning every meeting into a technical interrogation.

How IGG can support administering authorities

IGG's LGPS governance offering is focused on the areas where independent governance expertise can add value without replacing the Fund's specialist advisers.



Independent Person

Independent professional scrutiny and constructive challenge supporting the Pension Committee and LGPS Senior Officer.



Governance implementation

Practical support to turn review findings and governance priorities into clear actions, ownership, reporting and evidence.



IGR readiness and governance review

Practical readiness support to organise evidence, assess governance priorities and prepare for independent review. Where statutory independence requirements permit, IGG may also be able to undertake the IGR itself.



Committee & Board effectiveness

Focused review and development support where clearer roles, better information, stronger challenge or more effective decision-making are needed.

One accountable individual. Wider expertise behind them.

Where IGG is appointed through a professional trustee firm model, one named individual fulfils the Independent Person role. That person can draw on wider pensions expertise within the firm without splitting or diluting statutory accountability.

Established pensions governance behind the appointment

- **Governance is our core business:** IGG specialises in professional pensions trusteeship and governance services.
- **Scale and continuity:** IGG's current public website states that the Group holds over 450 scheme appointments.
- **Institutional governance:** IGG is audited annually under the Relevant Trustee Supplement to ICAEW AAF 02/07 in support of inclusion on The Pensions Regulator's Independent Trustee Register.
- **Wider expertise:** IGG's multidisciplinary pensions team includes investment, legal, actuarial, covenant, pensions management, project and governance experience.
- **Public-sector pensions experience** exists within the wider team, including publicly evidenced senior Civil Service pensions management experience.
- **Policy engagement:** IGG submitted its Fit for the Future consultation response in January 2025, addressing the proposed Senior Officer, knowledge and understanding, Independent Person and governance review requirements before the final framework was settled.

Our role



Help committees and officers ask better questions, evidence stronger governance and turn governance findings into practical change - while respecting the role of the Fund's existing advisers.

This guide is for general information only and does not constitute legal, investment or actuarial advice. It reflects the LGPS governance framework and publicly available guidance as at August 2026.

Primary regulatory sources

- Ministry of Housing, Communities and Local Government - Local Government Pension Scheme: fund governance (published 29 June 2026).
- Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 - SI 2026/545.
- Government response to Local Government Pension Scheme (England and Wales): Fit for the Future.
- MHCLG - Local Government Pension Scheme: asset pooling.
- MHCLG - preparing and maintaining an Investment Strategy Statement.
- LGPS Scheme Advisory Board - governance and training material.

Buyer evidence reviewed

Current and recent administering-authority recruitment, appointment and governance material from East Sussex, Essex, Bedfordshire, Enfield, Cheshire, West Midlands, Worcestershire, Leicestershire and Lancashire has informed the practical role and buyer-language sections.

IGG Sources

- Independent Governance Group - corporate overview, governance services and AAF 02/07 statement.
- IGG response to the Government's Fit for the Future consultation, January 2025.
- IGG governance, ORA, project-management and implementation material.
- Public IGG team biographies used only where they substantiate individual experience.



Talk to IGG about your LGPS governance requirements

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