South Tyneside Council

item 8

Pensions Committee

Date: 12 June 2026

LGPS and Industry Developments
(for information and discussion)

Report Sponsor: Paul McCann, Assistant Director (Pension Fund) and Senior LGPS Officer.

Recommendation

1. The Committee is recommended to note the report.

Executive Summary

2. This report updates the Committee on key changes in the Local Government Pension Scheme (LGPS) since the last quarterly meeting. The main updates are:

   - Pensions Schemes Act 2026. This Act is now in force and is expected to support the introduction of the LGPS "Fit for the Future" reforms.

   - Access and Fairness Phase One implemented. From 1 April 2026, Regulations and statutory guidance took effect addressing survivor benefits, the pensionability of authorised unpaid leave, gender pension gap reporting, and other legislative changes, with further phases expected later in 2026.

   - LGPS membership for elected members. Regulations from May 2026 allow elected members (including councillors and mayors) to join the LGPS. Fund Officers are supporting employers to implement the change smoothly.

Background

3. This report updates the Committee on industry and Scheme changes from the last quarter. This update supports the Committee's understanding of the issues currently affecting the Local Government Pension Scheme, including:

   - The Pensions Schemes Act 2026
   - Pensions dashboards update
   - Access and Fairness update
   - Access & Protection – elected members.
   - Data protection complaints

The Pensions Scheme Act 2026

4. The Pension Schemes Bill has completed its passage through Parliament and received Royal Assent on 29 April 2026, becoming the Pensions Schemes Act 2026. The Act is part of the Government's pensions reform programme and includes measures affecting both public and private sector schemes.

5. For the LGPS, the Government is expected to publish further regulations and guidance to put the "Fit for the Future" reforms into practice. These reforms are likely to strengthen how the LGPS is run and may change how investment pooling and investment decisions are put into effect.

Pensions Dashboards Update

6. The Government's plans for pensions dashboards are set out in the Pension Schemes Act 2021 and the Pensions Dashboards Regulations 2022. This legislation sets the timetable and requires pension schemes and providers to connect to the dashboards system. The connection deadline is 31 October 2026.

7. Pensions dashboards will let people view their pensions information online in one secure place. This will include information about their different pension savings and their State Pension.

8. Tyne and Wear Pension Fund connected to the dashboards system in December 2025, ahead of the deadline.

9. In its latest blog, the Pensions Dashboard Programme said it will first focus on making sure the dashboard and the pension finder service work reliably, before making improvements based on feedback. It plans research with around 3,000 users to test data accuracy, how easy the service is to use, and what people do after using it. Schemes, providers and advisers are encouraged to invite members to take part. The

Programme has also confirmed that pension records will continue to show one of three statuses:

- **Confirmed pensions:** where a clear match has been made and the required information can be shown.
- **Pending pensions:** where a match exists but not all data is yet available for display.
- **Pensions that need action:** where a possible match requires further checks or the member needs to contact the scheme before more details can be provided.

10. Good-quality data is important for members using the dashboard. The Fund is in a strong position on data quality, and officers will continue to monitor updates and keep the Committee informed.

Access and Fairness Update

11. In February 2026, The Ministry of Housing Communities and Local Government (MHCLG) published its response to the LGPS in England and Wales: Access and Fairness consultation. They have also issued Gender Pensions Gap (GPG) reporting guidance alongside the response. The guidance sets out how the GPG should be reported for the 2025 actuarial valuations.

12. Phase 1 changes became effective from 1 April 2026 with statutory guidance produced on the same date. The phase 1 changes include:

- **Death Grant nominations**: Funds now have more flexibility, as the rule requiring death grants be paid to personal representatives after two years has been removed; instead, the Fund can decide who will receive the payment.
- **Survivor benefits**: equalises how survivor pensions are provided, regardless of sex, sexual orientation or type of relationship.
- **Authorised unpaid leave**: automatically counts towards pension, with the threshold changed to 14 days; Government also intends to proceed with proposals on “buy-back” and pension contributions during child-related leave.
- **Gender Pensions Gap reporting**: new reporting requirements, starting with the 2025 valuation.
- **McCloud (divorce cases)**: changes linked to McCloud when pensions are considered in divorce cases.

- **Other consultation items**: other changes consulted on as part of the Access and Fairness work.

13. The Government accepts that these changes will add to the administrative burden for funds which is why the changes are being phased in. Phase 2 of the Access and Fairness changes are expected later in 2026.

14. Fund Officers are working with employers to ensure the changes are appropriately implemented.

Access & Protection - Elected Members

15. The LGPS (Amendment) (Elected Member Pensions) Regulations 2026 were made on 25 March 2026 and came into force on 11 May 2026. They allow elected members of local authorities in England (including councillors and mayors) to join the LGPS.

16. Elected members can join the LGPS only if they choose to ("opt in"), unlike employees who are automatically enrolled unless they decide not to ("opt out").

17. Fund Officers are working with employers to support the change and help implement the new arrangements.

Data Protection Complaints

18. From 19 June 2026, individuals will be able to make data protection complaints directly to a data controller. This is introduced by the Data (Use and Access) Act 2025 and applies to LGPS administering authorities.

19. This will sit alongside the existing Internal Dispute Resolution Procedure (IDRP).

20. The Information Commissioner’s Office (ICO) has published guidance on these new requirements.

21. The guidance sets out what data controllers must have in place before 19 June 2026. It confirms you must:

    - give people a way of making data protection complaints to you;
    - acknowledge receipt of complaints within 30 days of receiving them;
    - without undue delay, take appropriate steps to respond to complaints including making appropriate enquiries, and keep people informed; and
    - without undue delay, tell people the outcome of their complaints.

22. Fund Officers will review current processes in place to ensure they are in line with guidance.

Risks

23. If the Committee is not kept up to date on important LGPS changes, members may be less able to understand the issues and make informed decisions.

24. Strong understanding of pensions matters helps the Fund show that it has effective governance arrangements in place.

Next Steps

25. Officers will continue to work with key stakeholders to ensure regulatory changes are implemented effectively.

26. Committee will be kept informed of future developments of note.

Recommendation

27. The Committee is recommended to note the report.

Reason for Recommendation

28. To keep the Committee up to date on important developments and changes within the LGPS.

Report Author: Heather Wake, Governance & Funding Manager.

LGPS and Industry Developments

The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

Background Paper	File Ref:	File Location
LGPS Consultations File	N/A	Pensions Office Town Hall and Civic Offices

Contact Officer: Paul McCann, Assistant Director (Pension Fund)