Blending old and new

Laura Blows explores how Local Government Pension Scheme (LGPS) funds can manage pension fund committee member turnover as a result of local elections

Summary
- Local elections regularly change LGPS pension committee membership, which can temporarily reduce accumulated knowledge and create a learning curve for new councillors.
- Training these new members adds pressure to busy fund officers, especially since many LGPS funds already report a shortage of staff and skills.
- While pooling reforms shift day-to-day investment decisions away from committees, councillors must still act as effective strategic overseers.
- Funds can maintain continuity by utilising stable Local Pension Boards and new Independent Persons requirements, and keeping concise corporate memory packs.

Summer 2026 saw an epic fight. Like Mike Tyson v Evander Holyfield, Roger Federer v Rafael Nadal, or Harry Potter v Voldemort, it was a one-on-one fight (despite there technically being a record 34 contenders): Nigel Farage v Count Binface.

In August 2026, Nigel Farage won the Clacton by-election he triggered amid investigations into 'undeclared gifts'. Major parties boycotted the election, leaving joke candidate Count Binface as the runner-up, with 27 per cent to Farage's 63 per cent of the vote.

They may not all cause such drama, but when it comes to elections, the local government pension scheme (LGPS) must be prepared for potentially a significant shift in its pensions committee.

Councillor turnover

Elections, by-elections and intermittent committee reshuffles can all change LGPS pension fund committee membership due to existing committee members not standing for re-election, not being re-elected, or changes required to maintain the political balance of the committee (which should be in line with the political balance of the Administering Authority).

However, this councillor turnover is an inherent feature of democratic governance, not a governance failing, Westminster City Council tri-borough director of treasury and pensions, Phil Triggs states.

"It is not unusual to see Administering Authorities with an almost entirely brand-new committee following elections", Aon director of public sector pensions, Catherine Pearce, says.

This happens a lot, and "will get more complicated now that we are into five-party politics", former Pensions Minister and Aptia strategic adviser, Guy Opperman, predicts.

One such example is the May 2026 local elections, which saw Reform UK pick up 1,450 council seats, as well as the Lib Dems and Greens achieving gains, at the expense of Labour and the Conservatives.

"There has been a lot more churn over the past few years than there has been historically, with more experienced people leaving and new people joining," Dorset County Pension Fund Councillor and LGPS Scheme Advisory Board member, John Beesley, notes.

Knowledge

Committee turnover "can create an imbalance between relatively new, inexperienced councillors and advisers, officers, managers and pool executives who may have years of accumulated knowledge", Triggs warns.

For instance, "people may come in with a political viewpoint about public sector pensions and cannot get it fulfilled, which can initially cause friction. We are bound by fiduciary duty so it can be difficult to understand at first that they cannot act upon their political view of the LGPS," Beesley says.

The imbalance of knowledge can also impact the ability of committees to make decisions.

Pearce highlights how the 2025 local elections generated substantial committee membership changes shortly before Administering Authorities had to make important decisions relating to participation in asset pools.

"Twenty-one Administering Authorities had to decide which asset pool to join, and others had to make important decisions about changes to the way the asset pool was run. New committee members were therefore heavily reliant on the fund's officers and advisers having done the appropriate due diligence," she explains.

"With committees having the responsibility for all areas of pension fund management, and the majority of new committee members having limited prior experience of pensions, there is a lot of information to be passed on to new members in a short period of time (the Fund Governance statutory guidance recently issued by Ministry of Housing, Communities and Local Government (MHCLG) sets out that comprehensive inductions are carried out for new members within three months of being appointed or, where possible, before their first meeting if earlier). While Administering Authorities can use their asset pools and advisers to assist with training, the bulk falls on busy fund officers," Pearce adds.

The LGPS is already stretched, as an Aon study published in June found that three-quarters of respondents believed its LGPS fund did not have sufficient staff and skills for day-to-day operations.

Despite this, councillor turnover is a common occurrence, "and the big changes happen in election cycles, so there is often lead up to this. The pension funds are well versed with this, with well-established processes, even if a by-election happens, for onboarding new members", Hymans Robertson public sector governance, administration and projects senior consultant, Andrew McKerns, says.

Relationships

New committee members must also get to grips with how the committee works together.

Consider the challenge of London CIV trying to get to know 33 separate sets of representatives of their boroughs, Opperman says.

"The test of a well-governed LGPS fund is whether it can change several committee members, or even its chair, without losing its strategic memory, its ability to challenge or the momentum of its sensible decision making"

"This is further compounded with the more extreme approaches to investment or refusal to have investment in issues such as fossil fuels, Israel, American companies, AI/data centre companies, etc. In the US, there has been actual litigation against public sector bodies for pursuing a pro-ESG investment agenda – or vice versa. This could potentially happen here," he adds.

Committees must also manage the loss of skills from departed members.

"The principal risk is loss of corporate memory: New members may know what the fund has decided previously, but not why," Triggs says. "It can slow the governance process and decision making, and lead to previously settled strategic issues being reopened."

He adds that "the issue is less the number of members changing than the loss of accumulated committee knowledge. Losing one very experienced chair can matter more than several member changes".

Aon director of public sector pensions, Laura Caudwell, agrees that the main risk occurs "when an Administering Authority loses a good chair, as they play an important role in ensuring decision making is carried out effectively".

"This can have a greater impact where the chair represents the Administering Authority within the asset pool (i.e. as shareholder rep and/or other working groups/committees), although this impact may be lessened as we anticipate much of the shareholder representative roles to be taken by the LGPS senior officer going forward," she explains.

"Changes to committee membership also means existing good relationships with other stakeholders, advisers, officers and the Local Pensions Board need to be re-established, which can take some time, although does have the advantage of fresh thinking," Caudwell adds.

Increasing risk?

Balancing training and relationship building may become increasingly challenging in light of ongoing LGPS changes.

The government's LGPS 'Fit for the future' reforms require investments to be managed by a handful of pools, along with investing 5 per cent of assets in local projects, requiring independent governance reviews, a designated senior LGPS officer, and strict training requirements.

"The recent governance regulations and statutory guidance clearly show that the government is very keen to improve the standard of governance across the LGPS, and that is made more difficult when there are frequent changes to committee membership," Pearce says.

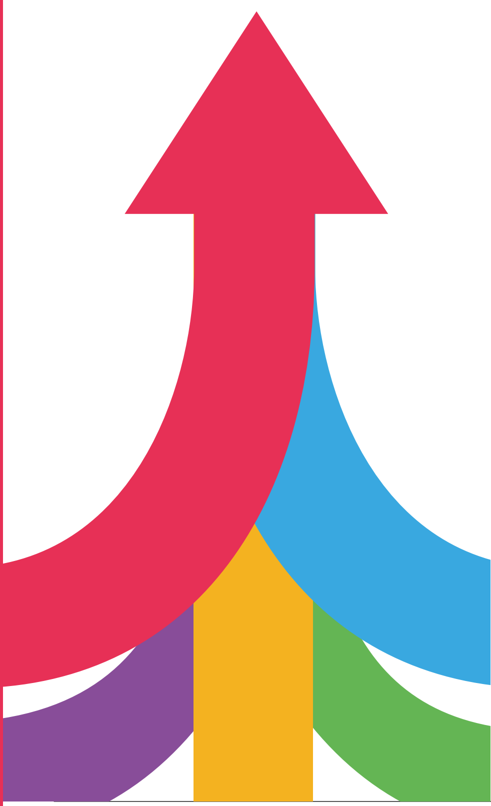
"Where there is a higher proportion of inexperienced members more time will need to be taken up providing training and explaining the background to items under the full range of key areas (investment, funding, administration, communications, governance). This may mean that there is not enough time to consider all relevant matters," she adds.

Triggs acknowledges that the LGPS is becoming far more complex, particularly through LGPS pooling and governance reform.

"As implementation moves increasingly to pools, councillors need to become sophisticated pool clients and strategic overseers, capable of challenging the pool rather than attempting to manage investments themselves," he explains. "Delegating implementation does not delegate responsibility. Administering Authorities still need knowledgeable committees capable of setting investment/funding strategy and holding others to account."

Caudwell notes that one potential area of increased risk due to the investment changes is a reduction in engagement by pension committee members.

"We have often in the past seen plenty of engagement with investment decisions and less interest/focus in other areas of fund management. However, the new governance regulations also provide a mechanism for poor 'performance' as a committee member (including a lack of engagement e.g. insufficient attendance) to be dealt with and the increased governance oversight of Administering Authorities should help ensure that this does not occur in practice," she says.



Caudwell agrees that 'Fit for the future' may reduce committee turnover risk.

"The changes to asset pooling, requiring all fund assets to be managed by their chosen asset pool, will remove some of the decision making from committees. While they will still be responsible for setting the investment strategy, the implementation-based investment decisions themselves will in future be made by the pools. This does mean that there will be fewer decisions for committees to make, so the risk of an inexperienced committee is lower. In addition, as it is the high-level strategic decisions that have a much larger impact on fund performance, the changes, which should increase time spent and focus on those decisions, could actually mean a reduction in risk of poor fund performance," she explains.

Mitigation

To help mitigate difficulties integrating new members, Triggs recommends that training be continuous rather than a one-off induction exercise and should follow the committee's actual forward governance/strategic investment programme.

Also, every fund should maintain a concise corporate memory pack covering its investment/funding strategy, funding position, pool arrangements, major risks, and the rationale for important past decisions, he suggests.

According to McKerns, there is far more training required for committee members now, especially with council reorganisations and fewer councillors.

"This means that training solutions need to be more agile, such as through the use of online, anytime training," he adds.

Another consideration is staggering the terms of office of committee members that are not councillors so they overlap with each other and the council election cycle, ensuring that committees don't see all members changing at the same time, Pearce suggests.

Looking ahead, the new Independent Person role – an external, expert adviser appointed to strengthen the oversight, accountability, and decision-making of the LGPS – introduced in the 2026 reforms, also provides another element of stability, Caudwell notes.

"The government has suggested in the guidance and their consultation process that professional trustees may be well-placed for these roles, and while they are new to the LGPS world they do bring a wider perspective, an ability to scrutinise and challenge advice, and experience in focusing on the key areas that drive performance across all areas (i.e. not just investment) and so could really support funds in mitigating and managing risks," she adds.

Caudwell also expects to see several funds considering moving to a Single Purpose Pensions Authority (SPPA) model going forward, given the scale of governance change, the impact of local government reorganisation and the increased use of shared services.

Despite the challenges of integrating new committee members, "the objective should not be to eliminate councillor turnover: That is an inevitable and legitimate consequence of democratic governance", Triggs states.

Ultimately, he says: "The test of a well-governed LGPS fund is whether it can change several committee members, or even its chair, without losing its strategic memory, its ability to challenge, or the momentum of its sensible decision making."

Written by Laura Blows