

EXPLANATORY MEMORANDUM TO
THE LOCAL GOVERNMENT PENSION SCHEME (AMENDMENT) (ELECTED
MEMBER PENSIONS) REGULATIONS 2026

2026 No. 346

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Ministry of Housing, Communities and Local Government (MHCLG) and is laid before Parliament by Command of His Majesty.

2. Declaration

- 2.1 Alison McGovern, Minister of State at the Ministry of Housing, Communities and Local Government, confirms that this Explanatory Memorandum meets the required standard.
- 2.2 Michelle Warbis, Deputy Director for Local Pensions at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

3. Contact

- 3.1 Ben Lavelle at MHCLG can be contacted by email at the following address with any queries regarding the instrument: lgpensions@communities.gov.uk. Alternatively, the department can be contacted by telephone: 0303 444 0000.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

- 4.1 This instrument enables elected members in England, in respect of their elected office, to become members of the Local Government Pension Scheme (LGPS).
- 4.2 The LGPS is a funded, defined benefits public service pension scheme for local government workers and certain office-holders, established in legislation by the Secretary of State and administered locally by administering authorities, with members' benefits and pension contributions set in legislation.
- 4.3 The instrument applies to eligible councillors and eligible mayors across local authorities, Combined Authorities and Combined County Authorities, and includes certain related elected office-holders and members such as London Assembly members, members of Fire and Rescue Authorities, and specified committee members, where entitlement arises under the relevant allowance and remuneration arrangements.
- 4.4 The instrument also makes consequential amendments to ensure that allowances and other remuneration paid to elected office-holders are treated consistently for pension purposes across the relevant authorities and bodies.

Where does the legislation extend to, and apply?

- 4.5 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.6 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England.

5. Policy Context

What is being done and why?

5.1 The Government is enabling elected members to accrue pension benefits within the LGPS in respect of their pensionable allowances and remuneration, including basic allowances, special responsibility allowances, and other relevant allowances where applicable under Combined Authority and Combined County Authority arrangements (excluding travel and subsistence allowances). This addresses a policy inconsistency across the United Kingdom, as elected members in Scotland, Wales and Northern Ireland already have access to the LGPS. The policy is also intended to support recruitment and retention by helping to ensure that elected office is open to a wider range of candidates.

What was the previous policy, how is this different?

5.2 Prior to these Regulations, councillors in England were generally not eligible for membership of the LGPS in respect of their elected office. Some office holders could access the LGPS pension provision in limited circumstances (for example, in arrangements linked to the Police and Crime Commissioner functions where applicable). This instrument establishes a consistent statutory framework within the LGPS for elected member pension participation in England.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument applies the existing Local Government Pension Scheme (LGPS) framework to elected members, with appropriate modifications to reflect the distinct legal status of elected office-holders. In particular, elected members do not hold office under contracts of employment, and their remuneration is paid by way of allowances and other specified payments rather than salary. The changes ensure that elected members can participate in the LGPS on a clear and consistent statutory footing, while preserving the overall structure and operation of the Scheme for the other type of scheme members.

6.2 To achieve this, the instrument provides that the LGPS Regulations apply to elected members in respect of their elected office, subject to a set of tailored modifications. These modifications adapt the Scheme so that it operates appropriately for office-holders, while maintaining consistency with the treatment of other Scheme members where possible.

6.3 The instrument also clarifies which bodies are to be treated as Scheme employers for elected members. This ensures that responsibility for employer functions under the LGPS, including the payment of employer contributions, is clearly allocated for each category of elected member.

6.4 The modifications to the LGPS as it applies to elected members include, among other things:

- treating elected members as employees of the relevant Scheme employer for Scheme purposes only;

- adapting the definition of pensionable pay so that it reflects the allowances and other remuneration payable to elected members under the relevant statutory remuneration arrangements;
 - providing for elected membership to be held separately from any non-elected LGPS membership for certain Scheme purposes, subject to specified rules; and
 - disapplying or adjusting provisions of the Scheme that are not appropriate to elected office-holders, such as those relating to flexible retirement.
- 6.5 The instrument also makes provision in relation to transfer payments made into the LGPS in respect of elected members. Transfer payments received in respect of elected office confer benefits under the current LGPS arrangements and are treated consistently with other elected membership. The instrument makes clear that such transferred service is not brought within the scope of the McCloud remedy, which applies in different circumstances to other categories of service.
- 6.6 In addition, the instrument amends the legislative framework governing members' allowances so that, where an authority's allowance scheme provides for the payment of a basic allowance or special responsibility allowance, those allowances must be treated as pensionable under a public service pension scheme. The amendments also require authorities to record employer pension contributions paid in respect of elected members, and remove certain related procedural requirements to ensure consistency with the revised approach.
- 6.7 Finally, the instrument makes consequential amendments to the legislation establishing combined authorities and combined county authorities. These amendments ensure that, where such authorities pay relevant allowances to elected members or office-holders (other than travel and subsistence), those allowances are treated as pensionable, and the authority is required to meet the associated employer pension costs. This ensures that the pension treatment of allowances is consistent across different local governance structures.

Why was this approach taken to change the law?

- 6.8 Sections 1, 3 and 25 of and Schedule 3 to, the Public Service Pensions Act 2013 provides powers to establish and amend public service pension schemes, including to make scheme regulations and associated provisions for scheme members and employers. This instrument uses those powers to create a coherent LGPS framework for elected members and to make necessary consequential amendments to related legislation.

7. Consultation

Summary of consultation outcome and methodology

- 7.1 In accordance with section 21 of the Public Service Pensions Act 2013, the Secretary of State consulted such persons and representatives of such persons as appeared likely to be affected by these Regulations. The consultation ran from 13 October 2025 to 22 December 2025, and the government has published a response to the consultation: [Local Government Pension Scheme in England and Wales: Access for Elected Members - government response - GOV.UK](#)¹. The majority of respondents supported extending LGPS access to elected members. Respondents also raised concerns about

¹ <https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-scheme-improvements-access-and-protections/outcome/local-government-pension-scheme-in-england-and-wales-access-for-elected-members-government-response>

the implementation date and practical readiness and commencement, which has been moved to 11 May 2026.

8. Applicable Guidance

- 8.1 No specific guidance is required or necessary for these Regulations. MHCLG will continue to work with the LGPS Advisory Board and the Government Actuary's Department to support administering authorities and scheme employers in the operation of the LGPS.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

- 9.1 A full Impact Assessment has not been prepared for this Instrument as no, or no significant, impact on the private or voluntary sectors is anticipated. The impacts of this instrument fall on local authorities and other public bodies within the LGPS framework.

Impact on businesses, charities and voluntary bodies

- 9.2 There is no, or no significant, impact on business, charities or voluntary bodies because the instrument concerns public service pension arrangements for elected members and does not impose regulatory requirements on businesses, charities and voluntary bodies.
- 9.3 The legislation does not impact small or micro businesses.
- 9.4 There is no, or no significant, impact on the public sector because the instrument applies the existing Local Government Pension Scheme framework to elected members, rather than creating a new pension scheme or benefit structure. Any additional costs arising from elected members' participation in the Scheme will be met by the relevant Scheme employers and managed through the established LGPS funding and contribution arrangements. The number of individuals affected is limited, and the overall impact on public sector finances is expected to be minimal.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

- 10.1 The approach to monitoring this legislation is through ongoing engagement by the Department with administering authorities, the Local Government Pension Scheme Advisory Board, and other relevant stakeholders. This will include monitoring implementation, administrative operation and uptake of the new arrangements through routine scheme governance and oversight.
- 10.2 The instrument does not include a statutory review clause.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The instrument is subject to negative procedure and does not amend primary legislation, and no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).