EXPLANATORY MEMORANDUM TO

THE LOCAL GOVERNMENT PENSION SCHEME (ELECTED MEMBER PENSIONS) (CONSEQUENTIAL AMENDMENT) REGULATIONS 2026

2026 No. 410

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 the Ministry of Housing, Communities and Local Government 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 The instrument ensures that elected members (including mayors and councillors) of the Sussex and Brighton Combined County Authority ("the Authority") are eligible for membership of the Local Government Pension Scheme in England and Wales (LGPS). A separate instrument (the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026 S.I. 2026/346[1]) establishes the framework by which elected members in England are made eligible for LGPS membership and the specific features of their membership. Broadly, that framework establishes that elected members must opt in to their LGPS membership, their membership is to be based on the allowances they receive in their roles, and membership is to be offered to all elected members of local authorities in England.

In particular, this instrument provides that where the Authority pays a "relevant allowance" (an allowance other than for travel and subsistence), that allowance is pensionable under a public service pension scheme made under section 1 of the Public Service Pensions Act 2013, and the Authority is required to make the associated employer pension contributions.

[1] https://www.legislation.gov.uk/uksi/2026/346/contents/made

Where does the legislation extend to, and apply?

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

4.3 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 aforementioned Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026 extend eligibility for membership of the LGPS to elected members of local authorities in England, including members of combined county authorities. Those Regulations also make consequential amendments to the legislation establishing combined authorities and combined county authorities to ensure that pensionable allowances paid to their elected members are treated consistently for pension purposes.

The Sussex and Brighton Combined County Authority Regulations 2026 S.I. 2026/362[2] were laid before Parliament before, but made after, the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026 were made. As a result, they did not include the relevant consequential pension provision.

This instrument remedies that omission by making a further consequential amendment so that the Sussex and Brighton Combined County Authority is subject to the same pension arrangements as other combined authorities and combined county authorities.

The effect of this is that elected members of the Authority become eligible to opt in to membership of the LGPS. If they opt in, they will accrue pension membership (and associated benefits) for the allowances they receive in their roles as elected members e.g., a councillor in the Authority will accrue pension membership for the relevant allowance they receive for their role as councillor, but not for travel expenses paid. They will make contributions to their membership out of their allowances (in the same way an LGPS member might pay contributions out of their pensionable pay), and the Authority will make employer contributions on their behalf.

The overall policy to give elected members access to the LGPS is intended to support the recruitment and retention of elected members across England, recognising their invaluable contribution to public service.

What was the previous policy, how is this different?

5.2 Sussex and Brighton CCA is established by the Sussex and Brighton Combined County Authority Regulations 2026. Those Regulations, in the form they are introduced, do not provide for the pension arrangements of the elected members within Sussex and Brighton CCA.

This instrument provides those elected members with pension arrangements, in line with the Public Service Pensions Act 2013, which allows for regulations to establish pension schemes for local government workers in England.

[2] https://www.legislation.gov.uk/uksi/2026/362/made

6. Legislative and Legal Context

How has the law changed?

6.1 These Regulations are made further to the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026 S.I. 2026/346 ("the 2026 Regulations"), which amends the Local Government Pension Scheme Regulations 2013 S.I. 2013/2356[3] to extend the membership of the Local Government Pension Scheme to elected members of local authorities in England, in particular to mayors and members of combined county authorities. The 2026 Regulations also makes consequential amendments to (amongst other things) the statutory instruments establishing combined county authorities to ensure that where an authority pays a "relevant allowance" (an allowance other than for travel and subsistence) under its remuneration arrangements, the allowance is treated as pensionable under a scheme made under section 1 of the Public Service Pensions Act 2013 (c. 25)[4], and the authority makes employer contributions and any other payments required to fund the pension benefits attributable to those allowances.

These Regulations make a further such consequential change in respect of the Sussex and Brighton Combined County Authority Regulations 2026 S.I. 2026/362, which are Regulations that were subject to the draft affirmative procedure and that were laid before (but made after) the 2026 Regulations were made. These amendments ensure that the Sussex and Brighton Combined County Authority will be treated in a way consistent with all other combined authorities.

Why was this approach taken to change the law?

6.2 Sections 1, 3 and 25 of, and Schedule 3 to, the Public Service Pensions Act 2013 provide powers to establish and amend public service pension schemes and to make associated consequential provision. This instrument uses those powers to ensure that the Sussex and Brighton Combined County Authority Regulations 2026 operate consistently with the wider LGPS framework for elected members.

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 the Local Government Pension Scheme (Amendment) (Elected Member Pensions) Regulations 2026 S.I. 2026/346. This instrument is a minor and purely consequential amendment arising from those Regulations, which is within the scope of the other consequential amendments made by those Regulations. No separate consultation has therefore been undertaken in relation to this instrument.

The proposal to make mayors and councillors eligible for membership of the LGPS was consulted on by the government between 13 October 2025 and 22 December 2025. The consultation was publicly available on GOV.UK and circulated with local government stakeholders. A government response was published on 24 February 2026, outlining the majority support for the proposals and changes as a result of the consultation.

[3] https://www.legislation.gov.uk/uksi/2013/2356
[4] https://www.legislation.gov.uk/ukpga/2013/25

In total, 155 of 208 respondents agreed to giving mayors access to the LGPS, and 157 of 218 respondents agreed with giving councillors access to the LGPS. A small number of points were raised about the policy intent, which the response addressed. In summary, those points related to concerns with cost, conflicts of interest and administering the change. On cost, the response clarified the government's position that the costs should be considered in the context of the LGPS valuation and by that process be factored into the costs of administering the scheme. On conflict of interests, the response clarified the government's position that there were no conflicts of interest to be addressed. On administering the change, the response updated the government's position on commencement date with an updated commencement date of 11 May 2026, to better align with upcoming local government elections and avoid the administrative burden cause by a 1 April 2026 commencement date.

To confirm, the changes being made by this instrument sit within the consultation proposals of that consultation.

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 because no impact on the private or voluntary sectors is anticipated.

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 of Brighton and Sussex CCA, who in that context do not sit within any businesses, charities of voluntary bodies.

9.3 The legislation does not impact small or micro businesses.

9.4 The impact on the public sector is not significant. Brighton and Sussex CCA will be impacted in that it will be required to act as an employer in the LGPS with regards to its elected members that opt in to LGPS membership. The primary impact there is in the requirement to pay employer contributions on behalf of those elected members. There will also be an administrative burden in acting as an employer in the LGPS, but that is not expected to be significant.

The overriding policy to give LGPS eligibility to all elected members in England across all relevant authorities is estimated to cost ~£40-45m p.a. in employer contributions, on behalf of ~9,000 elected members. Within that overall cost, there is no estimate of the specific cost of employer contributions within Brighton and Sussex CCA, but the eventual cost will be proportionate to the size of Brighton and Sussex CCA and the number of elected members it holds. The employer contributions it pays will be in line with rates set through a valuation process outlined in wider LGPS legislation. In the valuation process, a range of factors (including the current funding level of the administering authority and the expected performance of investments) are used to set employer contribution rates. The contribution rates are set to ensure that,

together with returns on investment and employee contributions, the expected future liabilities of the administering authority can be met.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is the continuation of regular engagement by the Ministry of Housing, Communities and Local Government with administering authorities, the SAB and its subcommittees, and wider stakeholders. The statutory remit of the SAB includes providing advice to the Secretary of State on the desirability of making changes to the Scheme, which the post-implementation review of changes would be considered part of.

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 As the instrument is subject to negative procedure and does not amend primary legislation, 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").