

Title of Report	2026/27 Budget and Council Tax Report - Supplementary Report
Key Decision No	FCR S532
For Consideration By	Council
Meeting Date	4 March 2026
Classification	Open
Ward(s) Affected	N/A
Group Directors	Naeem Ahmed, Group Director of Finance and Corporate Resources Dawn Carter-McDonald, Chief Executive
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1. Introduction

- 1.1 On 24 February 2026 the Government announced the outcome of its consultation on 'Local Government Pension Scheme (LGPS) in England and Wales: Access for Elected Members' which ran from 13 October 2025 to 22 December 2025.
- 1.2 The Government has confirmed that it will be laying a statutory instrument before Parliament in March 2026 to give elected members in England access to the LGPS. The intention is that the statutory instrument will come into force on 11 May 2026 to tie up with members legally taking up their offices following the elections. The rationale behind this is to avoid the administrative burdens that would arise with members entering a scheme and then potentially leaving it one month later.
- 1.3 The Members' Allowances Scheme is a matter for Full Council to determine, The financial implications of the change in terms of the Council's budget and budget setting responsibilities are dealt with below.
- 1.4 Taking into account the effective date for the change, this is also the only meeting of Full Council at which the required change to the Members' Allowances Scheme could be made, to enable members to opt in to the LGPS with effect from the relevant date, without convening an extraordinary meeting of Council.

- 1.5 No other changes to the Members' Allowances Scheme are proposed at this time.

2. Recommendation(s)

In addition to the recommendations in the original 2026/27 Budget and Council Tax Report, the following recommendation is made to Full Council:

Subject to the coming into force of proposed Regulations to enable members to opt in to the Local Government Pension Scheme and from the effective date specified in those Regulations (currently anticipated to be 11 May 2025), to amend the Council's Members' Allowances Scheme as follows:

- (a) Delete current paragraph 7.1 which says:

In accordance with legislation, since the start of the 2014-18 electoral term, Members of the Council are not entitled to participate in the Local Government Pension Scheme.

- (b) Insert the following by way of replacement:

In accordance with updated legislation, Members of the Council are entitled to join the Local Government Pension Scheme if they choose to opt in to the scheme. Membership of the Scheme is on the same basis as given to other non-elected members of the scheme, with a small number of exemptions to reflect the different employment status.

3. Reasons for Decision

- 3.1 The Council must operate any Member Allowances Scheme in accordance with the law. The decision will enable the Scheme to be updated with effect from the prospective coming into force of the Regulations.

4. Details of Alternative Options Considered and Rejected

- 4.1 There are no alternative options as permitting members to opt into the LGPS will be a legal requirement.

5. Financial Implications

- 5.1 This supplementary report accounts for the Government's February 2026 confirmation regarding the Local Government Pension Scheme (LGPS) access for elected members. Based on the statutory instrument expected in March 2026, the

Council must prepare for the financial implications of members opting into the scheme effective from 11 May 2026.

- 5.2 The maximum financial exposure to the Council is estimated at £290k per annum. This figure represents a budgetary scenario, assuming a 100% opt-in rate from all eligible Members.
- 5.3 Provision for this expenditure has been integrated into the 2026/27 General Fund Revenue Budget and the Council's Medium-Term Financial Plan (MTFP). Consequently, the adoption of this recommendation does not create a budget pressure for the upcoming financial year.

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6. Legal Implications

- 6.1 Section 18(1) of the Local Government and Housing Act 1989 enables the Secretary of State to make, by regulations, a scheme providing for the payment of a basic allowance, attendance allowance and special responsibility allowance to members of a Local Authority.
- 6.2 The forthcoming regulations will be made under sections 1, 3, 25 and Schedule 3 of the Public Service Pensions Act 2013
- 6.3 Pursuant to Part 2, Article 4 of the Council's Constitution, it is a function of Full Council to adopt, or amend, the Members' Allowance Scheme.

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Date: 3 March 2026