

City of London Corporation Committee Report

Committee(s): Pensions Committee (For Information) Local Government Pensions Board (For Information)	Dated: 3 December 2025 12 January 2026
Subject: Local Government Pension Scheme 'Fair Access' Consultation	Public report: For Information
This proposal: <ul style="list-style-type: none">• provides statutory duties• provides business enabling functions	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	The Chamberlain
Report author:	Graham Newman

Summary

On 13 October 2025 the UK Government launched a consultation entitled 'Local Government Pension Scheme in England and Wales: Scheme Improvements (Access and Protections)', commonly referred to as the LGPS Fair Access Consultation.

Alongside the consultation, the Government also released draft regulations in respect of two of the four proposals: 'LGPS Access for Elected Mayors and Councillors' and the 'New Fair Deal'. Draft regulations in respect of the remaining two proposals (increases to the 'Normal Minimum Pension Age' and 'Academies and Employer Consolidation') are expected later in 2025.

This report summarises the key proposals and protections outlined in the consultation, which aims to enhance fairness, accessibility, and consistency within the Local Government Pension Scheme (LGPS).

Recommendation

The Committee is asked to note the report and provide any feedback in relation to this information.

Main Report

Purpose of the Consultation

1. The consultation seeks to address key administrative and benefits-related issues, including proposals that have been anticipated for some time, such as Fair Deal, and newer initiatives such as the re-admission of councillors into the scheme. The consultation closes on 22 December 2025 and can be found [here](#).
2. The City of London does not currently intend to respond to the consultation.
3. The consultation covered four key proposals which are summarised below.

Normal Minimum Pension Age (NMPA)

4. The government proposes implementing the increase in the Normal Minimum Pension Age from 55 to 57 from 6 April 2028, except for ill-health retirements. This change will affect when members can access their benefits, but protections will apply for certain members under the Protected Pension Age (PPA) provisions outlined in the Finance Act 2022.
5. Key points of the proposal include:
 - All scheme members (active and deferred) in the LGPS immediately before 4 November 2021 will retain a PPA, allowing access from age 55 after 2028.
 - Scheme members joining on or after 4 November 2021 will not have a PPA and will only be able to access benefits from age 57.
 - Transfers from non-LGPS schemes where there was an actual or prospective right to retire at 55 will not confer a PPA in the LGPS.
 - The protections will be complex to administer, and administrators will need to be able to verify scheme member status as of 4 November 2021.
 - Draft regulations for this change are expected later in the year.
6. The main elements of PPA are shown in the table below:

Feature	Before 6 April 2028	After 6 April 2028	Notes
NMPA	55	57	Applies to all unless PPA applies
PPA eligibility	Based on rights before 4 Nov 2021	Retained if eligible	Must meet qualifying conditions
Access to benefits	From 55 (if scheme allows)	From 57 (unless PPA applies)	Depends on scheme rules
Transfers	PPA may apply to transferred-in benefits only	Yes, but limited to transferred rights	Bulk transfers may preserve PPA

LGPS Access for Elected Mayors and Councillors

7. The government proposes extending LGPS access to councillors and mayors in England, recognising their vital public service roles. This includes all English

mayors, deputy mayors, and councillors of principal English local authorities, including the Common Council of the City of London. Councillors remunerated for roles such as combined authorities or audit committees will also be eligible for pension benefits.

8. Elected Members will participate as scheme members of the LGPS 2014, with the estimated national employer cost estimated to be £40–50 million annually, with no additional funding provided.
9. The Government has published draft regulations covering this issue alongside the consultation. Whilst the consultation does not say when this change would be effective from, the draft regulations have an indicative coming into force date of 1 April 2026, potentially indicating the government's plans

Academies and Employer Consolidation

10. The consultation proposes changes to LGPS employer consolidation rules, particularly for multi-academy trusts (MATs), which now account for over half of English schools. Consolidation aims to simplify administration and improve efficiency for MATs. Four criteria for consolidation without Secretary of State consent include:
 - Clear value-for-money assessment in favour of consolidation.
 - Pre-existing relationship with the receiving fund.
 - Agreement from all administering authorities involved.
 - The receiving fund's ability to manage the transfer effectively.
11. Draft regulations for this change are expected later in the year.

New Fair Deal

12. The government seeks to implement New Fair Deal in local government, ensuring continuity of LGPS membership for staff outsourced to contractors. The broadly comparable scheme option will be removed except in exceptional cases. Contractors will participate via the 'deemed employer' route, with pass-through contribution arrangements. The admission body route will end for new contracts, while existing agreements will remain until expiry. All LGPS employers will be Fair Deal employers, except higher education corporations and admission bodies.
13. The Government has published draft regulations covering this issue alongside the consultation, however, there is no indication of when this proposal is expected to take effect from.

Conclusion

14. These proposals introduce significant administrative and financial considerations, including complexity in verifying PPA eligibility, cost impact for councils and employers due to expanded access for elected officials, governance changes for MAT consolidations, and contractual adjustments for outsourcing under Fair Deal.

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