
Meeting: General Purposes Committee
Date: 7 June 2012
Subject: Local Government Pension Scheme – Discretions Policy
Report of: Deb Clarke, Assistant Chief Executive People & Organisations
Summary: The report sets out the requirements of the Local Government Pension Scheme Regulations for each employer to determine its policy with regard to these discretions and proposes the Council's policy with regard to these discretions.

Advising Officer: Catherine Jones, Head of HR Policy & Development
Contact Officer: Catherine Jones, Head of HR Policy & Development.
Public/Exempt: Public
Wards Affected: N/A
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

The report does not have any direct input to supporting the Council's priorities but provides that it reduces any risk and possible financial costs to the Council by having determined the Council's policy with regard to employer discretions within the Local Government Pension Scheme.

Financial:

1. None specifically arising from this report.

Legal:

2. None specifically arising from this report which is written in accordance with the requirements of the Local Government Pension Scheme Regulations. The details of the relevant Regulations are set out in the report:
3. The Local Government Pension Scheme (Administration) Regulations 2008
The Local Government Pension Scheme (Benefits, Membership & contributions) Regulations 2007 (as amended)
The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
The Local Government Pension Scheme Regulations 1997 (as amended)

Risk Management:

4. There is a risk to the authority if the Council does not determine a policy with regard the discretions within the LGPS Regulations. The Council is open to challenge from trade unions, deferred or current members of the LGPS as it will not be able to rely on any considered policy statement when asked to

exercise its discretion either to current members of the Local Government Pension Scheme or to former employees of the legacy authorities that would fall under Central Bedfordshire Council jurisdiction.

Staffing (including Trades Unions):

5. The Trade unions have been consulted with regard to the details of the policies proposed in the report.

Equalities/Human Rights:

6. The details contained in the report are in accordance with equality and diversity legislation.

Community Safety:

7. Not applicable

Sustainability:

8. Not Applicable.

Procurement:

9. None applicable.

RECOMMENDATION(S):

The Committee is asked to:

1. **Approve the recommendations as set out in Appendix A in respect of discretions to be applied by Central Bedfordshire Council as a scheme employer.**

Background

10. Since 1997 the LGPS Regulations have required employers to issue a written policy statement on how it will exercise the various discretions provided by the scheme, to keep them under review, and to revise as necessary.
11. The discretions that currently apply are those within:

The Local Government Pension Scheme (Administration) Regulations 2008
The Local Government Pension Scheme (Benefits, Membership & contributions) Regulations 2007 (as amended)
The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
The Local Government Pension Scheme Regulations 1997 (as amended)

12. There are other discretions relating to the Local Government Pensions Scheme which the Council has already determined its policy. One of the discretions relates to severance under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. The Council determined its policy at the Shadow Executive meeting on 16 December 2008. It is not proposed to review this policy at this time.
13. Another discretion under Regulation B18 (1) and B18 (3) relates to Flexible Retirement. This was considered separately by the Committee on 17 December 2009 and consequently there is a policy in place. It is not proposed that this is reviewed at this time.
14. Prior to the establishment of Central Bedfordshire Council, the former legacy council's of Bedfordshire County Council, Mid Beds District Council and South Beds District Councils had statements in place to cover their employer discretions.
15. However while Central Bedfordshire Council has determined its policy with regard to the discretions referred to in paragraphs 3 and 4 above, we have to date had to rely on the policy decisions of the former legacy authorities as and when required. It is therefore necessary to determine Central Bedfordshire Council's policy regarding these discretions to ensure compliance with the Local Government Pension Scheme Regulations.
16. The attached Appendix A sets out the discretions that require a policy decision by the Council with a proposed recommended policy going forward for Central Bedfordshire Council as a scheme employer.
17. The majority of the proposed policy decisions are in line with the previous Bedfordshire County Council discretion that were also adopted by both former District authorities. There are one or two new discretions regarding 'ill health' as these relate to more recent changes to the Regulations and therefore no policy had been formulated by the legacy authorities.

Appendices:

Appendix A – Central Bedfordshire Council – Policy Statement on Employing Authority Discretions

Background Papers: (open to public inspection)

None