

CHERWELL DISTRICT COUNCIL

**PERSONNEL AND GENERAL COMMITTEE
10 DECEMBER 2008**

REPORT OF THE HEAD OF HUMAN RESOURCES

PENSIONS POLICY STATEMENTS

1 Introduction and Purpose of Report

- 1.1 The purpose of this report is to seek decisions in relation to new discretions under Local Government Pensions Scheme Regulations in order to update the current Pensions Policy Statements which will ensure Cherwell District Council has the necessary statements on the exercise of its discretions under amended regulations up to and including 1 April 2008.

2 Wards Affected

- 2.1 None.

3 Effect on Policy

- 3.1 None.

4 Contact Officers

- 4.1 Anne-Marie Scott, Head of Human Resources, extn 1731

5 Background

- 5.1 The Council currently has three policies on the use of discretions under The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 and 2006 and the Local Government Pensions Scheme Regulations 1997. These policies were updated in March 2007 as a result of amended regulations at that time. Since March 2007 new and further changed regulations have been introduced and discretionary pension regulations also now include the Local Government Pension Scheme (Administration) Regulations 2008, the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

In order to ensure the Council now has an appropriate policy to include all discretions up to and including any changes to the pension regulations as at the 1 April 2008, as required by the legislation, the three current discretionary policies have been reviewed and amalgamated into one policy, and where required the new regulations have also been inserted. Many of these new and amended regulations have only recently been finalised even though they backdate to 2007, hence the reason for the delay in reviewing these regulations.

The updated policy is attached at Appendix 1 and also includes the pension banding policy introduced at the 1 April 2008 as a result of new discretionary regulations issued at that time.

As a result of the updated policy a new discretion requires consideration as to whether

the council wishes to exercise use of this discretion in the future. This discretion is detailed below.

5.2 **Regulation 13 – Power of employing authority to award additional pension**

The Council may chose to award an employee, whilst they are a member of the LGPS with them, additional pension of not more than £5,000 a year payable from the same date the pension is payable from. The Council has already resolved to consider use of Regulation 12 (discretion to increase total membership – up to a maximum of 10 years), in cases of redundancy, efficiency of the service and permanent ill health retirements. The Council could chose to use either or both discretions if approval is given to use the additional pension award as detailed in Regulation 13.

Should it be approved that this discretion will be considered it is recommended that the same criteria be used for regulations 12 and 13 as detailed above as well as the same criteria when an individual case is considered. This would include:

- The financial position of the Council at the relevant time
- The personal circumstances of the member of staff in question, including their working history with the Council. This may include, for example, length of service and disciplinary record.
- The risk that the making of the payment at any particular level to the individual in question may lead to a loss of public confidence in the Council.

6 Risk Assessment, Financial Effects and Contribution to Efficiency Savings

6.1 The following details have been approved by Rosemary Watts, Risk Management & Insurance Officer, Ext 1566 and Karen Curtin, Chief Accountant, Ext 1551.

6.2 **Risk Assessment**

The risk associated with not approving the recommendations contained in this report is that the Council will not have an agreed policy to implement the changes in pensions regulations from 1st April 2008.

6.3 **Financial Effects**

There are no financial effects arising directly from this report. The financial implications relating to any individual circumstances will be subject to individual reports as and when required

6.4 **Efficiency/Savings**

There are no savings arising from this report.

7 Recommendations

7.1 The Committee is **RECOMMENDED** to determine to resolve;

- (1) To consider use of Regulation 13 – the discretion to award additional pension up to £5,000, and if agreed to consider using the same criteria as already agreed for awarding additional pensionable membership (up to 10 years) to ensure consistency of approach.
- (2) To note the updated Pension Policy Statements at Appendix 1.