

Item

LOCAL GOVERNMENT PENSION SCHEME - EMPLOYERS DISCRETIONS



To:

Civic Affairs Committee 30/01/2019

Report by:

Head of Finance

Head of Human Resources

Wards affected:

All

1. Introduction / Executive Summary

- 1.1 The paper outlines Cambridge City council's proposed policy statement on Employer Discretions for the Local Government Pension Scheme.

2. Recommendations

- 2.1 to approve the proposed policy statement on employer discretions (Appendix A)
- 2.2 to authorise the Head of Human Resources to determine decisions relating to the merits of individual cases.
- 2.3 that Council officers will continue to review the statement every 3 years and / or in line with changes to the Local Government Pension Scheme (LGPS) as advised by the Local Government Pensions Committee (LGPC) and the Administering Authority (Cambridgeshire County Council), and any recommended changes will go before Civic Affairs for approval.

3. Background

- 3.1 The Local Government Pension Scheme (LGPS) legislation has a number of discretionary areas on which Employing Authorities (i.e. Cambridge City Council) have to determine and publish a policy.
- 3.2 The Council's last review of LGPS Employer Discretions was undertaken in 2014. It was intended that the discretions would be reviewed in 2017 but were delayed as the Council was awaiting details of the proposals relating to exit packages to review these at the same time. Draft regulations were published in 2016 (DRAFT The Public Sector Exit Payment Regulations 2016), the draft regulations cover restrictions on exit payments. As the regulations remain in draft format a decision was taken to review the employer's discretions and exit packages separately.
- 3.3 In reviewing the applicable regulations, the Council sought advice from the former Local Government Association (LGA) senior pensions advisor.
- 3.4 Appendix A contains details of Cambridge City Council's Employing Authority Discretionary Powers, the relevant LGPS Regulations and the recommended decisions. Appendix A also includes a statement on Injury Allowances.
- 3.5 Within Appendix A there are a number of discretions that appear to be replicated, the discretions in places are worded the same but relate to members leaving under different sets of regulations.
- 3.6 Where a case is to be treated on its merits, it will be subject to the approval of the Head of Human Resources. Under the Council's constitution the Head of Human Resources is the nominated person *"To take such action as may be necessary in relation to superannuation and the payment of pensions on behalf of the Council as employing authority in relation to its employees, former employees and to Cambridgeshire County Council as administering authority; except that, where the Council is entitled to exercise a discretion, the Head of Human Resources is authorised to act under this paragraph only in accordance with principles approved by the Council"*

4. Implications

(a) Financial Implications

There are no significant changes from the existing discretions recommended in respect of financial implications.

Where individual decisions are made potential costs will vary depending on the personal circumstances of each employee involved, their reason for leaving and the appropriate discretions. It is therefore impossible to give an accurate prediction of costs.

(b) Staffing Implications

This report deals with pension discretions for employees and former employees. There are no direct staffing implications as a result of the recommendations in this report.

(c) Equality and Poverty Implications

This report deals with pension discretions for employees and former employees; access to pension is normally from age 55 onwards other than for ill health. The LGPS is a national scheme and is open to all employees.

(d) Environmental Implications

There are no direct environmental implications as a result of the recommendations in this report.

(e) Procurement Implications

There are no Procurement implications as a result of the recommendations in this report.

(f) Community Safety Implications

There are no Community Safety implications as a result of the recommendations in this report.

5. Consultation and communication considerations

Trade Unions – GMB and Unison
Strategic Director

6. Background papers

Existing Employers Discretions – as minute 14/36/CIV/
Pension Position Statement – Finance Intranet

What is Pensionable Pay document – Finance Intranet
Flexible Retirement Policy – HR Intranet

7. Appendices

Appendix A – Cambridge City Council LGPS Employer Discretions
Policy

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Karl Tattam, Finance Support Services Manager, tel: 01223 - 458161, email: karl.tattam@cambridge.gov.uk.