

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 4
18 MARCH 2010	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Croft – Cabinet Member for Strategic Planning, Growth and Human Resources	
Contact Officer(s):	Mike Kealey - Acting Head of Human Resources	Tel. 384500

LOCAL GOVERNMENT PENSION SCHEME – DISCRETIONARY POLICY

R E C O M M E N D A T I O N S	
FROM : Directors, Trade Union Representatives	Deadline date : N/A
It is recommended that the Employment Committee agree to the Local Government Pension Scheme Discretionary Policy (Part A) attached at Appendix 1.	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Committee following a referral from Director’s Group on 23rd February 2010.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to ensure that the council publishes its policy on the discretions within the Local Government Pension Scheme (LGPS) in accordance with Regulation 66 of the Local Government Pension Scheme (Administration) regulations 2008.

2.2 This report is for the Committee to consider under its Terms of Reference No. 2.3.1.4.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. BACKGROUND

4.1 Each employer within the LGPS must prepare a written statement of its policy in relation to the exercise of its functions under four regulations:-

- i) Regulation 12 - power of the employing authority to increase total membership of active members,
- ii) Regulation 13 - power of employing authority to award additional pension,
- iii) Regulation 18 - flexible retirement and
- iv) Regulation 30 - choice of early payment of pension

4.2 This statement must be (a) kept under review, (b) published for one month before commencement, and (c) revised as necessary.

When the statement is being revised the employer must have regard to the extent to which the exercise of any of the discretions could lead to a serious loss of confidence in the public service.

5. CONSULTATION

- 5.1 The joint Trade Unions have been consulted and the statement was agreed at the meeting of the Joint Consultative Forum on 8th February 2010. Directors agreed the statement on 23rd February 2010.
- 5.2 The statement has also been agreed by the council's pension administrators at Cambridgeshire County Council.

6. ANTICIPATED OUTCOMES

- 6.1 This statement will ensure that the council is fulfilling the statutory requirement to publish and review its pension discretionary statement. It will also be useful when services are being considered for outsourcing as the bidding organisations will have a clear understanding of the policy which will apply to them on transfer.

7. REASONS FOR RECOMMENDATIONS

- 7.1 This is a statutory requirement. There will be statements to follow outlining other discretions which are currently under review.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The policy was considered against (a) those published by some other local government employers, (b) the policy in place in the county council plus (c) the existing policy, to ensure it was a sensible, fair approach which took account of affordability and protection of the pension fund.

9. IMPLICATIONS

- 9.1 The policy statement has been shared with the financial and legal teams at the council. It balances the requirement for the policy to be fair to existing and deferred members, with the necessity to ensure it does not allow for a loss of confidence in the public service. This policy will be reviewed in twelve months time.

10. BACKGROUND DOCUMENTS

- Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)
- 10.1 Previous policy statements
Document issued by the Local Government Employers outlining pension discretions.