

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COUNCIL

15 MARCH 2023

REPORT OF THE CHIEF OFFICER – LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY

PENSION POLICIES

1. Purpose of report

1.1 The purpose of this report is to seek approval of the Discretions Policy, Early Retirement, Ill Health Retirement and Redundancy Policy and Flexible Retirement Policy.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

3.1 The Council has a number of pension related policies. These are reviewed from time to time to ensure they meet legislative requirements, Local Government Pension Scheme (LGPS) Regulations and the requirements of the Authority.

3.2 Reviews have been undertaken on the Discretions Policy, Early Retirement, Ill Health Retirement and Redundancy Policy and Flexible Retirement Policy and a small number of changes have been proposed.

3.3 Trade Union colleagues have been consulted on the proposed amended policies. GMB, Unison and Unite have confirmed their agreement.

4. Current situation/proposal

Discretions Policy

4.1 The Local Government Pension Scheme contains many areas where the employer, or the Administering Authority, can or must exercise a discretion.

4.2 In reviewing this policy, it is proposed to introduce a Shared Cost Additional Voluntary Contribution (SCAVC) pension arrangement for LGPS members. This will be

implemented through a salary sacrifice scheme, which means that employees will receive tax and national insurance relief, whilst the employer will also make savings through reduced employer national insurance contributions.

Early Retirement, Ill Health Retirement and Redundancy Policy

- 4.3 This policy covers a range of provisions including pension provisions which can apply in circumstances relating to early retirement, ill health retirement and redundancy.
- 4.4 The revised policy has been updated to reflect the current organisational structure and strengthens the position in relation to re-engagement of leavers under certain circumstances.

Flexible Retirement Policy

- 4.5 The Council is committed to providing more choice and flexibility to employees who wish to transition into retirement or stay in work beyond retirement age. The provisions of this policy are based on employee choice and needs of the service and allow employees to draw their pension at any time after the age of 55 years whilst continuing to work.
- 4.6 The revised policy provides more flexibility for part-time employees to apply for flexible retirement and has been updated to reflect the current organisational structure.

5. Effect upon policy framework and procedure rules

- 5.1 This report proposes a number of changes to the Discretions Policy, Early Retirement, Ill Health Retirement and Redundancy Policy and Flexible Retirement Policy.

6. Equality Act 2010 implications

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on these policies or proposal.
- 6.2 The action necessary under employment and pension legislation meets the Council's statutory duties in respect of equalities.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how the Authority should work to deliver well-being outcomes for people. The following is a summary to show how the five ways of working to achieve the well-being goals have been considered in this report:

- **Long Term** – Pension policies assist employees to plan for the future.

- **Prevention** – The council, like other local authorities, automatically enrolls all eligible new employees into the LGPS.

Integration – The LGPS is a national pension scheme for working in local government.

- **Collaboration** – The council continues to work with the Rhondda Cynon Taf Pension Fund.
- **Involvement** – The recognised trade unions have been consulted on the proposed amended policies. GMB, Unison and Unite have confirmed their agreement.

8. Financial implications

8.1 There are no additional costs to implement these revised policies.

9. Recommendations

9.1 It is recommended that Council approves:

- the Discretions Policy (**Appendix 1**)
- the Early Retirement, Ill Health Retirement and Redundancy Policy (**Appendix 2**)
- the Flexible Retirement Policy (**Appendix 3**)

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Background documents: None