

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO COUNCIL

17 FEBRUARY 2016

### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

#### DISCRETIONS WITHIN THE LOCAL GOVERNMENT PENSION SCHEME

##### **1. Purpose**

- 1.1 This report details a number of discretions within the Local Government Pension Scheme (LGPS) which have resulted in a draft policy statement being compiled setting out the general position of this Council in respect to each one which requires Council approval prior to implementation.

##### **2. Connection to Corporate Improvement Plan/Other Corporate Priorities**

- 2.1 The action necessary under pensions legislation facilitates compliance with the Council's statutory duties in respect of equalities.

##### **3. Background**

- 3.1 The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and 2013 introduced changes to the LGPS. This has meant that the published discretions under the Local Government Pension Scheme Regulations 1997 have been superseded.
- 3.2 The Local Government Pension Scheme contains many areas where the employer, or the Administering Authority, can or must exercise a discretion. Some of these are already covered by existing policies. However, the Council is required to document the position on the remaining mandatory discretions together with any optional discretions it wishes to include.

##### **4. Current Situation/Proposal**

- 4.1 Attached as Appendix A is the draft Discretions Policy.
- 4.2 If approved by Council the effective date of the change will be one month following the publication of the policy statement.
- 4.3 Where a discretion has not already been exercised, consideration has been given to each mandatory and optional discretion and a recommendation put in the form of the policy statement.
- 4.4 Trade union colleagues have been consulted on the policy. GMB and Unite have confirmed their agreement whilst confirmation of Unison's position is awaited.

##### **5. Effect upon Policy Framework and Procedure Rules**

- 5.1 This report proposes the introduction of a policy statement laying out the position of Bridgend County Borough Council on a range of mandatory and optional discretions so

as to ensure clarity as to the position of the Council in these areas. Other mandatory discretions exercised in other policies are also referred to in this statement, cross referenced to the appropriate policy.

## **6. Equality Impact Assessment**

6.1 The Policy has been subject to initial equality impact screening.

## **7. Financial Implications**

7.1 The decision to award additional pension benefits in only very exceptional circumstances is taken with financial considerations in mind. Additional pension awards create further strain on the Pension Fund.

7.2 The decision not to extend the twelve month period for incoming transfers to the LGPS takes into account the potential increased cost to the Pension Fund of career progression and longevity factors to a final salary scheme.

7.3 The decision to review cases where forfeiture of pension benefits in some form is possibly appropriate is to ensure that the Council has the option to make good any financial losses caused by the member.

7.4 There are no direct and quantifiable financial implications to the decisions proposed other than mentioned above.

## **8. Recommendations**

It is recommended that Council approve the Policy Statement on Discretions in the Local Government Pension Scheme as detailed above.

**Ness Young**  
**Corporate Director - Resources**  
**Date 10 FEBRUARY 2016**

**Contact Officer:-** Paul Miles  
Pensions and Pay Grading Manager  
Human Resources

**E-mail:** [paul.miles@bridgend.gov.uk](mailto:paul.miles@bridgend.gov.uk)

**Telephone:** 01656 643208

**Postal Address:** Civic Offices, Angel Street, Bridgend

**Background Documents - none**