

Report to: Annual Council
Date of meeting: 11 June 2014
Report of: Head of Human Resources
Title: Local Government Pension Scheme (LGPS) Discretions Policy

1.0 **SUMMARY**

- 1.1 To provide Council with an overview of the revised Local Government Pension Scheme (LGPS) Employer Discretions required to comply with the new Local Government Pension Scheme under the LGPS 2014 regulations, and to recommend they are adopted. The revised discretions must be published by 1 July 2014.
- 1.2 A Discretions Policy has been drafted with proposals on whether Watford Borough Council should adopt each of the discretions available to employers, or not (Appendix 1).

2.0 **RECOMMENDATION**

- 2.1 That Council notes the report and approves the recommendation.

3.0 **DETAILS**

- 3.1 On 1 April 2014 the Local Government Pension Scheme changed from a final salary scheme to a Career Average Revalued Earnings (CARE) Scheme.
- 3.2 Watford Borough Council is an Employing Authority in the LGPS, and is required to draw up and publish a written statement of its policy relating to certain discretionary powers under the new LGPS regulations.
- 3.3 Most of the discretions listed in Appendix 1 reflect our existing arrangements but have been revised to link with the redrafted regulations.
- 3.4 Of the discretions listed in Appendix 1, discretions 3.1 to 3.6 are mandatory (each employing authority must have a published policy regarding them).
- 3.5 Discretions 3.7 and 3.8 are also mandatory but relate to provisions to be applied to employees who left the Council prior to 1 April 2014, and who are thus subject to the terms and conditions of the previous pension scheme.
- 3.6 Discretions 3.9 to 3.12 are not mandatory but it is recommended by the Local Government Pensions committee that employers maintain a policy regarding them.

Contact Officer:

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Report approved by: Cathy Watson, Head of Human Resources.

3.0 IMPLICATIONS**4.1 Financial**

4.1.1 The Head of Strategic Finance has approved the policy in Appendix 1.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Democracy and Governance has approved the policy in Appendix 1.

4.3 Equalities

4.3.1 There are no known equalities implications.

4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
Not publishing a Discretion Statement would be in breach of the legislation.	1	3	3
Lack of transparency and potential for inconsistent decision-making if Discretion Statement not published. It is a legal requirement under Regulation 60(5) that in formulating its policy, an employer in the LGPS must have regard to the extent to which the exercise of its discretions may lead to a serious loss of confidence in the public service.	1	3	3

4.5 Staffing

4.5.1 None

4.6 Accommodation

4.6.1 Not applicable

4.7 Community Safety

4.7.1 Not applicable

4.8 Sustainability

4.8.1 Not applicable

Appendices

Appendix 1: WBC Employer Discretions Statement of Policy April 2014

Background Papers

No papers were used in the preparation of this report.

File Reference

None