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<b>Subject:</b>	<b>LOCAL GOVERNMENT PENSION SCHEME 2014</b>
<b>Meeting and Date:</b>	<b>General Purposes Committee – 22 September 2014</b>
<b>Report of:</b>	<b>David Randall, Director of Governance</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**Purpose of the report:** This report seeks approval of the Pensions Discretion Policy Statement which is required under the Local Government Pension Scheme Regulations 2013

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**Recommendation:** That General Purposes Committee:

1. Approve the Pension Discretion Policy Statement attached at Appendix 1;
2. Appoint the Chief Executive as the adjudicator for the purposes of Regulation 74 of the Local Government Pension Scheme Regulations 2013;
3. Authorise the Director of Governance to make any necessary minor changes to the Pensions Discretion Policy Statement.

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## 1. Summary

The new Local Government Pension Scheme 2014 (LGPS) was introduced on 1 April 2014. This requires that all scheme employers review their existing pension policy statements and publish new policy statements in line with the Local Government Pension Scheme Regulations 2014. Members are now asked to approve the revised statement and to appoint an adjudicator in line with these regulations.

## 2. Introduction and Background

2.1 The Local Government Pension Scheme Regulations 2014 (the Regulations), reg.60, requires all scheme employers to publish and keep under review a written policy statement on how they will apply their discretionary powers in relation to certain provisions of the scheme. The new LGPS came into effect on 1 April 2014.

2.2 By virtue of reg. 60 of the Regulations, the Council was required to publish and send a copy of its revised statement to the relevant administering authority (Kent County Council in this case) by 1 July 2014. Unfortunately there has been a slight delay in the preparation of this statement but a draft holding statement of policy was sent to KCC by East Kent Human Resources on 30 June 2014. It has now fallen to each Authority to prepare their own statement of policy and Members should be aware that the statement of policy at Appendix 1 relates only to Dover District Council.

2.3 Following the Government's fundamental review of public sector pension provision, the following changes were identified as being required to these schemes:

- All public section pension schemes should change from final salary pension schemes to career average re-valued earnings schemes
- Scheme retirement ages should be the same as state retirement pension ages

- Scheme members and employers should share the increasing costs of providing public section pension schemes
- Existing rights of current scheme members should be protected

2.4 The new LGPS accommodates all of these requirements. Benefits accrued by members prior to 1 April 2014 are largely unaffected by the new scheme and those benefits will continue to be assessed on a final salary basis rather than a career averaged scheme.

2.5 Accordingly, the Dover District Council Early Retirement Policy (Pensions, Redundancy and Efficiency) document now requires review. This document will continue to exist as any members with deferred benefits under the LGPS 2008 will fall to be considered in line with this policy document. Members will see a copy of the new revised policy at Appendix 1.

2.6 The Regulations require that in preparing or making revisions to its statement of policy, a scheme employer must have regard to the extent to which the exercise of any of the functions within its policy could lead to a serious loss of confidence in the public service.

### 3. **Identification of Options**

3.1 The options for General Purposes Committee are:

- (a) To approve the revised statement of policy and appoint the Chief Executive as the adjudicator for the purposes of reg. 74.
- (b) To reject the recommendation

3.2 The preferred option is option (a).

### 4. **Evaluation of Options**

4.1 The changes to the statement of policy are as a direct result of the requirements of the Regulations, which have brought the LGPS 2014 into operation. The statement of policy will ensure compliance with the requirement to prepare and publish a statement of policy in reg. 60 of the Regulations.

4.2 To reject the recommendation is not advised as the Council will be in breach of the requirement to prepare and publish a statement of discretions under the Regulations.

### 5. **Resource Implications**

5.1 Although there are no direct resource implications in relation to the review of the policy, it is possible that the Council may incur costs that are outside of the original budget when exercising a discretion within the policy. Each decision will be made by the relevant director together with the Director of Finance, Housing & Community. A decision which relates to the exercise of a discretion in respect of a Chief Officer will be referred to this Committee for a decision.

### 6. **Corporate Implications**

6.1 Comment from the Section 151 Officer:

6.2 Comment from the Solicitor to the Council: The Senior Solicitor has been involved in the preparation of this report and has not further comments to make.

6.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

7. **Appendices**

Appendix 1 – Draft Pension Discretions Policy Statement

8. **Background Papers**

Dover District Council Early Retirement Policy (Pensions, Redundancy and Efficiency)

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