



## **Audio/Visual Recording of Meetings**

Please note: This meeting might be filmed, photographed, audio-recorded or reported by a party other than South Bucks District Council for subsequent broadcast or publication.

If you intend to film, photograph or audio record the proceedings or if you have any questions please contact the Democratic Services Officer (members of the press please contact the Communications Officer).

### **Declarations of Interest**

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

## **A G E N D A**

(Pages)

1. **Evacuation Procedures**
2. **Appointment of Co-Chairman**  
  
To elect co-Chairman of the Joint Staffing Committee for the remainder of the Municipal Year 2017/18.
3. **Apologies for Absence**
4. **Declarations of Interest**
5. **Harmonised Equality Policy** (3 - 6)  
  
*Appendix 1 - Harmonised Equality of Opportunity Policy* (7 - 10)
6. **HR Update Report** (11 - 18)  
  
*Appendix 1* (19 - 20)
7. **Local Government Pension Scheme Discretionary Policy Statement** (21 - 34)  
  
*Appendix 1* (35 - 38)
8. **Exclusion of the Public**  
  
To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.
9. **Locally Determined Pay Mechanism** (39 - 42)  
  
*Paragraph 4 – Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority*
10. **Staffing Matters**

<b>SUBJECT:</b>	Harmonised Equality Policy
<b>REPORT OF:</b>	Bob Smith, Chief Executive
<b>RESPONSIBLE OFFICER</b>	Bob Smith, Chief Executive
<b>REPORT AUTHOR</b>	Nina Parker-Hughes, Principal HR Adviser
<b>WARD/S AFFECTED</b>	All

### 1. Purpose of Report

To present members with the final draft version of the Equality Policy and invite comment.

#### RECOMMENDATION

The Joint Staffing Committee is asked to:

- Approve the implementation of the policy subject to staff consultation.
- Delegate authority to the Chief Executive to undertake any minor amendments following the outcome of the staff consultation or future legislative changes.

### 2. Reasons for Recommendations

To support the effective delivery of services covered in the Councils' objectives. Both councils have acknowledged that working in a shared services environment requires harmonised policies for the purposes of equality, fairness and practicality. As part of the joint working arrangements, harmonised policies and procedures have progressively been developed. As with the other policies this policy has been developed by taking the best practice of both Councils and reflecting employment legislation, recognised codes of practice and best practice in other public, voluntary and private sector organisations.

### 3. Content of Report

#### *3.1 The approach to developing policies:*

It is critical that it is the needs of the service that drive HR policies and procedures. For this reason service managers have shaped and will ultimately own this policy. A small project team representative of services involving a range of officer levels facilitated by the Human Resources

(HR) team is established to produce draft policy documents to the point of start of consultation and they have contributed to the development of the appended policy.

### 3.2 The policy

Policy Description	Summary
Equalities Policy	CDC and SBDC are committed to positively eliminating direct, indirect or institutional discrimination in all employment practices, policies and procedures, including: recruitment, selection, promotion, training and personal development. Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best and this policy outlines this commitment.

## 4. Consultation

Employees and UNISON will be consulted on this policy over a 4-week period.

## 5. Options

Given that both Councils have acknowledged that working in a shared services environment requires harmonised policies the one option is to implement this policy subject to comments/suggested amendments by Members.

## 6 Links to Council Policy Objectives

Our workforce is a key part of achieving the Councils' Aims and Priorities. Both Councils are committed to delivering high quality services through an effective and motivated workforce. This policy supports the Councils' Joint Business Plan headline objective of 'delivering cost effective, customer-focused services'.

## 7 Next Steps

- Staff Consultation
- Implementation
- Training for Managers as required

<b>Background Papers:</b>	CIPD and ACAS best practice guidelines
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**CHILTERN AND SOUTH BUCKS DISTRICT COUNCILS****HARMONISED EQUALITY OF OPPORTUNITY POLICY****1. INTRODUCTION**

1.1 As Equal Opportunities Employers, it is the policy of Chiltern (CDC) and South Bucks District Councils (SBDC) to ensure that no employee or job applicant receives less favourable treatment because on the grounds of age, disability, sex, gender reassignment, marriage or civil partnership, pregnancy and maternity, ethnic origin, religion or sexual orientation.

1.2 CDC and SBDC are committed to positively eliminating direct, indirect or institutional discrimination in all employment practices, policies and procedures, including: recruitment, selection, promotion, training and personal development.

1.3 Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best.

1.4 We will meet all the obligations of the public sector equality duty under the Equality Act 2010.

**2. COMMITMENT TO EQUALITY OF OPPORTUNITY**

2.1 CDC and SBDC are committed to:

- Identifying clear responsibilities for equality within the Council
- Providing guidance enabling employees to ensure that policies, strategies and plans are fair.
- Helping employees recognise and prevent discrimination.
- Helping employees comply with the requirements of relevant legislation and good practice guidance.

**3. RESPONSIBILITIES****ALL EMPLOYEES**

3.1 Every employee, all temporary staff and contractors are responsible for their own behaviour and for helping to promote equality and diversity within the Councils, for following policies and procedures and for challenging all forms of potential discrimination.

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#### MANAGERS AND SUPERVISORS

3.2 Managers and Supervisors should ensure they lead by example, treating others with dignity and respect and ensuring that the policy is fairly and consistently applied across all areas. Additionally, they should ensure that all employees managed are aware of their obligations under the policy.

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#### CEO, DIRECTORS AND HEADS OF SERVICE

3.3 The Chief Executive, Directors and Heads of Service should ensure that they lead by example, treating others with dignity and respect ensuring that the policy is fairly and consistently applied across the Councils.

#### 4. BREACH OF POLICY

4.1 The Councils recognise their duty of care to provide a safe working environment for all employees that is free from discrimination. Discrimination causes harm to individuals, and reduces the effectiveness of a wide range of activities. Discrimination will not be tolerated and, where appropriate, disciplinary action will be considered.

#### 5. EQUALITY AND LEGISLATIVELY DEFINED AREAS

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##### EQUALITY OF OPPORTUNITY AND DIRECT, INDIRECT AND INSTITUTIONAL DISCRIMINATION

5.1 Equality of opportunity means taking positive action to ensure that no discrimination is experienced either directly or indirectly by any employee or applicant.

5.2 Direct Discrimination – involves treating an individual less favourably because they have a ‘protected characteristic’ Protected characteristics include age, disability, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sex. Treating someone less favourably because you think they have a protected characteristic is direct discrimination by perception. Similarly treating someone less favourably because a colleague, associate, family member or friend has a protected characteristic is direct discrimination by association.

5.3 Indirect Discrimination – occurs when an organisation's practices, policies or procedures have the effect of disadvantaging people who share certain protected characteristics.

5.4 Institutional Discrimination – is discrimination that has been incorporated into the structures, processes and procedures of organisations, either because of prejudice or because of failure to take into account the particular needs of different social identities.

#### 6. GENUINE OCCUPATIONAL REQUIREMENTS (GORS)

6.1 There may exist for a limited number of positions being advertised, a genuine occupational requirement (GOR), that exempts the position from Equality considerations. Due to the nature of the role it may be that the job requires a person from a particular group.



Classification: OFFICIAL

In general SBDC and CDC seek to encourage diversity amongst employees and would only apply the use of GORs in exceptional circumstances.

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<b>SUBJECT:</b>	Human Resources Update
<b>REPORT OF:</b>	Bob Smith, Chief Executive
<b>RESPONSIBLE OFFICER</b>	Bob Smith, Chief Executive
<b>REPORT AUTHOR</b>	Louise Cole, HR Manager, Gemma Baker, Senior HR Admin Officer, Nina Parker-Hughes, Principal HR Adviser
<b>WARD/S AFFECTED</b>	All

## 1. Purpose of Report

To update the Committee on:

- Staff turnover and sickness absence within the Councils
- Key HR projects

### RECOMMENDATIONS

1. **The Joint Staffing Committee is asked to note the report.**

## 2. Content of Report

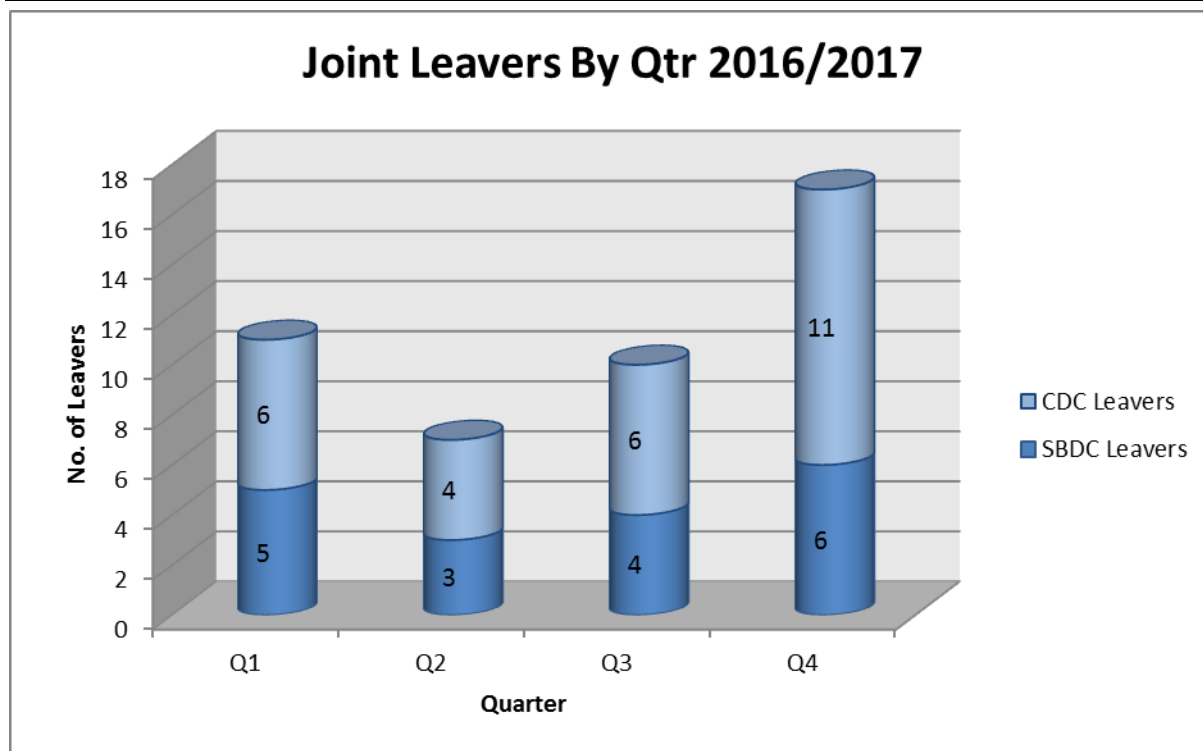
### Leavers Figures 2016/17

Monitoring voluntary leavers enables the Council to identify and respond to potential risks associated with employee resourcing levels across the Councils' services.

HR has a key performance indicator for voluntary leavers as a percentage of workforce and the target for 2016/17 was 16%.

Q4 shows an increase in turnover compared to Q3 particularly in CDC. Analysis indicates of the leavers in Q4 were spread across all service areas and across all levels and there is no indication that there is a trend. However, this will be monitored and potential risks will continue to be reported to Management Team with appropriate options for mitigating those risks. A strategic joint approach to resourcing and talent management is a project which has been built in to the HR teams work plan for 2017.

Leavers figures will be affected by staff moving roles across the two Councils. Under the existing process staff are made "leavers" and then "new starters" when moving from a SBDC post to a CDC post and vice versa. From the 1<sup>st</sup> August a new procedure will be in place. Please see Appendix 1. This will see a slight reduction in the leavers figures going forward.



**Recruitment Figures**

Turnover rates are more meaningful if considered against the statistics around recruitment. The HR team have moved to a new recruitment database called Vacancy Filler and so we will be able to provide reports from this system from Quarter 1 2017/18. These will be provided at the next meeting of the JSC.

**Sickness Absence Figures 2016/17 and 2017/18**

The CIPD’s annual absence management report for 2016 found that the average level of absence overall has dropped to its lowest level for 7 years at 6.3 days per employee. In the public sector the average was 8.5 days per employee.

The Councils have a key performance indicator for absence which is a maximum ceiling of 10 days per employee.

The table below shows the average number of working days lost due to sickness absence in the Councils, in the last quarter, exceeded the public sector average standing at 10 days per employee. However, the average over the year was 9.4 days per employee.

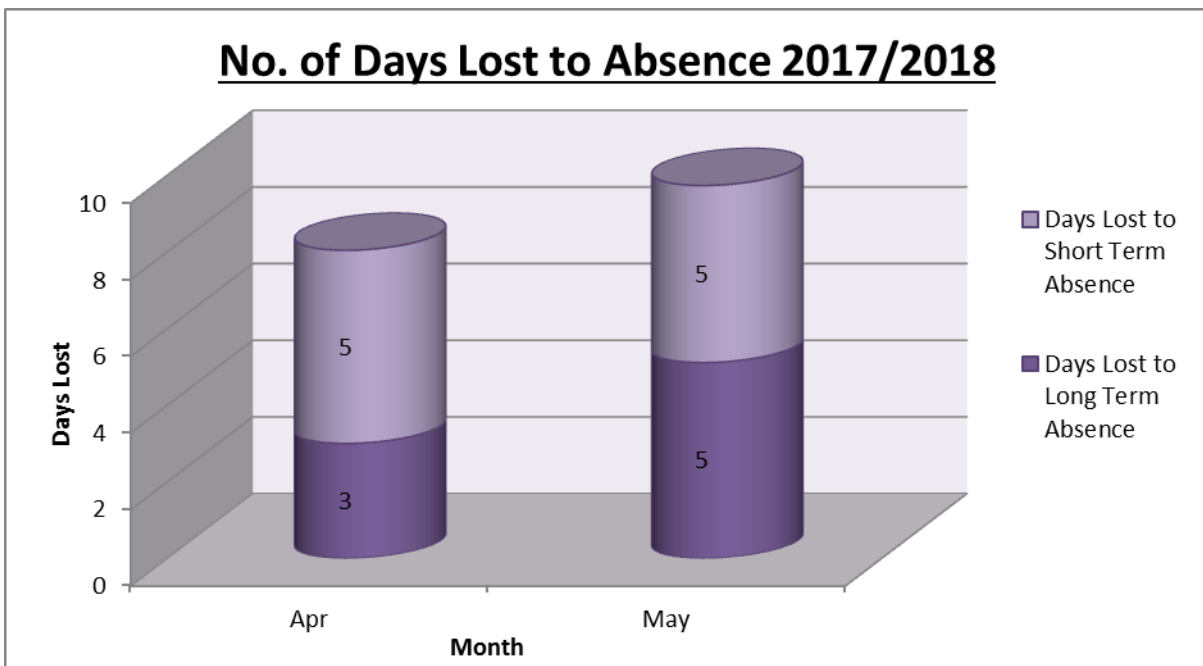
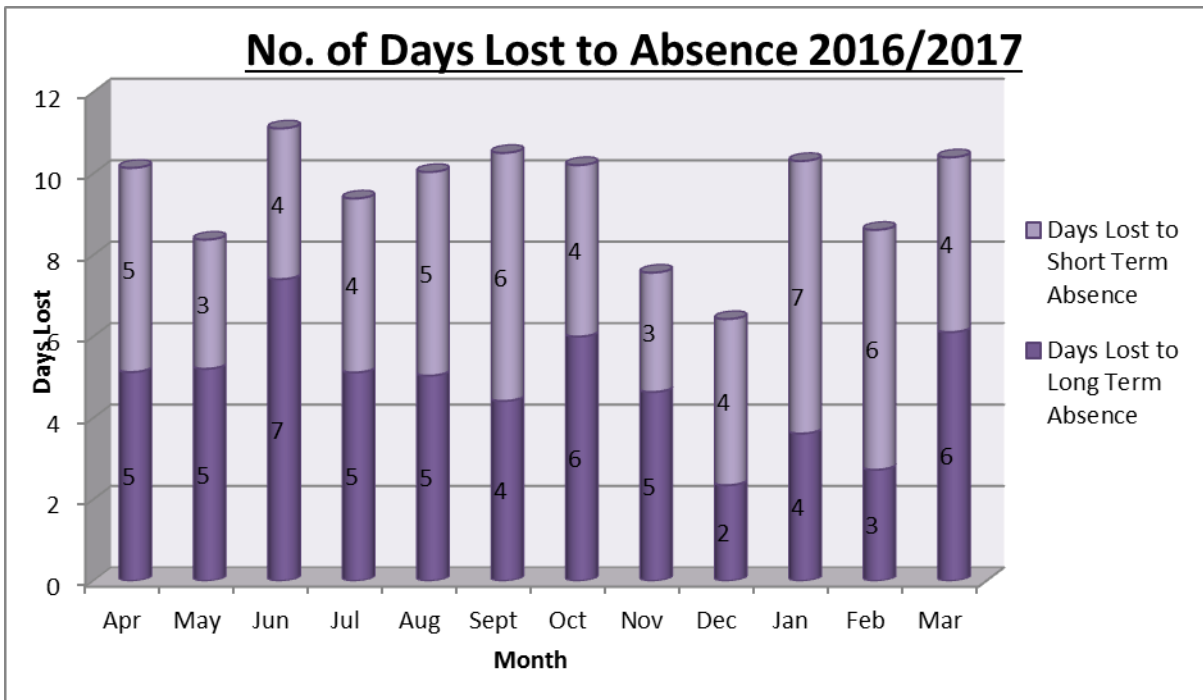
Short term absence is defined as “up to and including 20 working days absence” and long term absence is “over 20 working days absence”.

The Councils deploys a range of approaches to manage absence:-

- The use of occupational health services to get timely advice on how we can assist employees in returning to work e.g. through a phased return, amended duties or adaptations that can be made to the workplace.
- The use of sickness absence procedures which support employees and the management of employees while absent due to sickness and on their return to work. This includes return to work meetings for all employees returning to work regardless of the length of sickness.
- Training and coaching for managers on sickness absence management through HR surgeries and the Management Development Programme.
- Active management of sickness absence stats and sickness review meetings with employees when they meet our internal trigger points.
- Risk assessments.
- Employee Assistance Programme.
- In addition we have been increasing our focus on well-being and developing a more strategic approach to health and well being e.g. initiative to raise awareness of mental health issues, training on personal resilience.

The Councils needs to focus its efforts on managing sickness absence using all the approaches given above and this will be monitored closely over the next year.

The long term sickness absence figures are influenced by a small number of employees who are very poorly.



**CURRENT PROJECTS**

**Organisational Development: Values and Behaviour Framework**

We are continuing the work to bring our values to life in our day to day working practices through our Unwritten Ground Rule (UGR) approach. The UGR Champions met on 12<sup>th</sup> June and shared initiatives and ideas. Healthy Communities had run a very successful World Café Event. Several teams had used suggestion boxes as a means to get feedback on UGR's and ideas for improvement.

We have refreshed our values poster which now includes the customer at the centre. We have also displayed our Leadership and Management Charter as a poster. This charter will be a central theme for discussion and action at a Management Team/Head of Service development event planned for the autumn.

We are currently encouraging everyone to have up to date photos displayed on Outlook and Lync and will be enforcing this from end August. This will enable employees to more easily recognise one another and support the 'Collaborative' value.

### **Health and Well-Being**

The Councils continue to offer a range of advice and support around health and well-being through locally organised initiatives and through our occupational health provider.

Health and Safety Incidents: No recent incidents recorded.

Stress Risk Assessment: We are working with the Corporate Resilience Officer to develop a corporate Stress Risk Assessment to help managers identify triggers for work place stress in individuals and teams and put in place mechanisms to manage the risks and monitor them.

Mental Health First Aiders: A collaboration with MIND enabled the provision of some free training for our staff. Four people attended a two-day course in order to qualify as 'Mental Health First Aiders' - these places were distributed around Customer Service, Environmental Health, Housing and HR. Additionally a further four people attended half-day mental health awareness raising course.

### **Joint HR Team Processes**

Work is continuing to standardise and streamline our processes. For example:-

- Introduced a Record Retention Schedule which complies with the more stringent requirements of the General Data Protection Regulations coming in to force in May 2018.
- Updated our sickness reporting forms and maternity forms.
- Produced harmonised Guidelines on the awarding of Honorariums and Acting Up allowances;
- Standardised the staff gifts and hospitality recording and authorisation process.

We had 4 internal audits this year so far (Harmonised Policies and Procedures, Performance Management, joint HR database, staff Gifts and Hospitality Register). No significant recommendations have arisen from these.

### **Performance Management**

Appraisal scheme: The new harmonised Appraisal scheme was introduced in April 2017. It has been well received by staff and managers. It's a scheme which helps embed our values as all staff will have objectives which identify "what" we have to achieve as well as "how" we should achieve it.

Employee relations case management system: We have now introduced a system in the HR team for centrally managing all employee relations cases which allows us to ensure we provide

consistent advice and take consistent action around these and can provide up to date reporting at any point.

The HR team are holding regular meetings with managers to ensure fair and prompt action is taken. We have also held some “manager surgeries” and are planning to hold a workshop later in the year for all managers around the key policies i.e. sickness absence, capability, disciplinary and grievances.

### **Planning Service Review**

The HR project for the Planning Service Review is running successfully and in accordance with the agreed timescales. The new structure is expected to be in place on 16<sup>th</sup> October 2017 and the new managers appointments will be made by the end of June.

A project plan has also been put in place to commence a team building programme which will help the SBDC and CDC teams work together effectively as joint teams within a single service/single culture. There are also development plans in place to support the three new managers appointed in phase 1.

### **Staff Survey**

Heads of Service are looking at the results of the staff survey and taking action at team/service level. A Staff Working Group has also been set up, made up of 14 staff volunteers and they have twice and will be providing a number of ideas and suggestions which they will present to Management Team in August.

### **Recruitment**

Director of Services: A new Director of Services was appointed and will be starting on 29<sup>th</sup> July 2017.

Careers Fair: The Councils will be represented at the Careers Fair at Beaconsfield School on 12<sup>th</sup> July by two newer recruits in Planning Policy and by members of the HR team. We aim to use this as an opportunity to promote the role and profile of the District Councils as an employer of choice and also to gain a better understanding of what young people are looking for in work.

### **Learning & Development**

Staff have access to a wide range of employee, management and leadership training through different channels. Bucks Leadership Academy offer cost effective courses including first line management, essential conversations, leading and managing change and managing stress. Learning Curve, our e-learning platform has a range of courses available for all employees. In addition we are running bespoke, in-house training, see below.

Middle Management Development Programme: In order to upskill our middle managers and ensure consistency of approach a comprehensive management development programme has been developed and 50 employees have been invited to participate. The programme consists of a combination of externally delivered workshops (Getting the Best from Others (including Managing in an Agile Environment), Managing People Within the Law, Coaching Skills, Commercial Awareness and Negotiation and Leading and Managing Change) and internally delivered workshops (The Democratic Process, Managing Safely, Finance for Non-Financial Managers and Fraud Awareness & Risk Management).



These workshops will take place between June '17 and February '18 and will be interspersed by meetings of small Action Learning Sets to allow delegates to learn from one another and build networks.

Successful completion of the programme will result in attendees being awarded an ILM (Institute of Leadership and Management) certificate as this will be an ILM approved programme, equivalent to a level 4 qualification.

MT/HOS Development Event: We are planning a development event for Management Team and Heads of Service in the autumn. This will focus on the Leadership and Management Charter and the key results of the staff survey and consider how we as a senior leadership team empower, motivate and engage staff to continue to be successful through the coming years.

Stress Management: Heads of Service have identified a need for personal resilience workshops to help some members of staff develop better coping strategies for dealing with workplace stress. Providers are currently being evaluated with a view to running these workshops in early autumn.

Learning Pool: We have been updating the look and feel of the Learning Pool, our e-learning system and are in the process of reviewing the course content. We will launch the site at the end of the year to promote the learning and development opportunities on offer for staff. This approach is aligned with the move to adopting more agile methods of working as the course content can be accessed remotely on phones, tablets and PCs.

### **Collaborative Working WDC**

We meet regularly with our counterparts at Wycombe District Council and have been exploring collaboration in a number of areas in order to make savings through economies of scale e.g. coaching and mentoring scheme, occupational health contract, agency contracts.

### **Apprenticeships**

The Apprenticeship Levy was introduced in April 17 and will be charged at a rate of 0.5% of our pay bill. Each Council will receive an allowance of £15,000 to offset against their levy payment.

This allowance is available can be used to fund apprenticeship training. Under this new scheme 'apprentices' can be of any age and can complete qualifications up to and including degree-level. The scheme can be used to upskill existing employees or to recruit new staff. Apprentices must spend at least 20% of their time engaged in study.

There are a very wide range of apprenticeship training providers and we are still evaluating their various offerings. The allowance is available for two years, so a measured decision can be taken about which route to pursue.

### **Policies**

The Equality Policy is the last policy to be harmonised.

### **Projects Coming Up for 2017/18**

Develop a Health and Well Being Strategy which promotes the well-being benefits on offer and develops our communication to staff and initiatives on offer around mental health and well being.

Update the Induction programme.

Develop a recruitment pack/approach which promotes the full range of reward and benefits.

Develop a Workforce Development Strategy

On-going work to update intranet and internet

### 3. Consultation

N/A

### 4. Options

N/A

### 5. Corporate Implications

Good management of resources including employees leads to efficient and effective use of council finances and improved delivery of council services.

### 6. Links to Council Policy Objectives

Monitoring staff turnover, recruitment and sickness absences and ensuring all Council policies, procedures and practices are current, underpin the delivery of the Council's aims and management principles and ensure legislative compliance and best practice.

### 7. Next Step

Continue to monitor and update Committee Members on a quarterly basis.

<b>Background Papers:</b>	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of Part 1 background papers for executive decisions must be provided to Democratic Services )
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Joint Staffing Committee  
3 July 2017

Appendix 1

**Employing Authority - Procedural Change Regarding Who the Employer is when a member of staff changes job**

At present if a SBDC employee is appointed to a new job then:

- If the new job is a SBDC established post, then they stay employed by SBDC.
- If the new job is a CDC established post, then they finish working for SBDC and are re-engaged by CDC on a new contract.

And vice versa regarding CDC employees.

This only occurs infrequently, however when it does occur it is resulting in a number of unintended consequences namely:

- A leaver form will be required to remove the employee from their existing job (this will generate a P45).
- Leaver information needs to be provided to BCC, for pension purposes.
- A starter form will be required to add the person to their new job.
- As the P45 from the old contract may not be issued when the new job commences, the person may be put on temporary tax codes until the P45 is processed. This is most likely to occur if the employee is moved between authorities during a month, rather than at the end of a month.
- The employee's service record will show a change in employer. However they will have continuity of service for redundancy and pension purposes.
- The employee will have to transfer their historic pension to the new authority, if they wish to keep their pension entitlement unchanged.
- The persons leave year will normally change, as when (most) staff are appointed their leave year starts from the date of their appointment.
- Any untaken leave / extra leave taken will need to be paid to the employee / repaid by the employee on transfer (or leave adjustments will be needed to transfer the leave balance).

Therefore as from 1st August 17 if a member of staff changes jobs then they will remain with their existing employer (regardless of which authority the new role is established in). This will require the posts to move between the CDC and SBDC establishments. However, it will avoid the administrative burden of having to treat staff as leaving one authority and starting at the other one. Given the numbers of staff potentially affected the overall effect on the CDC / SBDC establishment will be minimal.

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<b>SUBJECT:</b>	<b>Local Government Pension Scheme Discretionary Policy Statement</b>		
<b>REPORT OF:</b>	Head of Paid Service	Bob Smith	
<b>RESPONSIBLE OFFICER</b>	Director of Resources	Jim Burness	
<b>REPORT AUTHOR</b>	Head of Finance	Rodney Fincham	01494 732260
	HR Manager	Louise Cole	01494 732015
	Senior Accountant	Tina Pearce	01494 732233
<b>WARD/S AFFECTED</b>	All		

## 1. Purpose of Report

- 1.1 This report seeks approval of the discretionary policies that can be exercised by the Councils, as Employers within the Local Government Pension Scheme (LGPS).

### RECOMMENDATION TO COUNCIL

To approve the Local Government Pension Scheme Discretionary Policy Statement as set out in Appendix 1.

## 2. Summary

- 2.1 All qualifying local government employees are entitled to be members of the statutory Local Government Pension Scheme. The Councils do not have the ability to opt out of this Scheme and / or alter the main Scheme provisions. The Councils do however have a few minor areas of discretion.
- 2.2 By virtue of Regulation 60 of the LGPS Regulations 2013, and paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, the Councils are required to have written policies on the following matters:
- Additional Annual Pension – Regulation 31
  - Shared Cost Additional Pension Contribution (SCAPC) – Regulation 16(2)(e) and 16(4)(d)
  - Flexible Retirement (aged 55 and over) – Regulation 30(6)
  - 85 Year Rule Switch on – LGPS (Transitional Provisions, Savings & Amendment) Regulations 2014 Schedule 2
  - Waiving Actuarial Reductions on Voluntary Retirement – Various Regulations.

- 2.3 Additional discretionary policies under LGPS Regulations 2013 are also recommended for the following:
- Transfers in to Fund – Regulation 100(6)
  - Aggregation of Deferred Benefits – Regulation 22(7) & (8).
- 2.4 Written policies are also required in respect of other legislation as follows:
- Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.
  - The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
    - Regulation 5 – Redundancy Payments to be based on Actual Pay
    - Regulation 6 – Discretionary Termination Payments.
  - Deferred Benefits – Ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2014 – Regulation 66 of the LGPS (Administration) Regulations 2008.
- 2.5 Additional discretionary policies are also recommended for the following:
- Deferred Benefits – Ceased active membership prior to 1<sup>st</sup> April 1998 - Regulation D11(2)c LGPS Regulations 1995.

### **3. Background to the Local Government Pension Scheme**

- 3.1 All qualifying local government employees are entitled to be members of the statutory Local Government Pension Scheme. The Councils do not have the ability to opt out of this Scheme and / or alter the main Scheme provisions. The Councils do however have a few minor areas of discretion.
- 3.2 Over the years the Local Government Pension Scheme has changed. In particular significant changes occurred from:
- 1 April 2008 – The pension accrual rate reduced from 1/80<sup>th</sup> to 1/60<sup>th</sup>, and employee contribution rates became tiered according to FTE earnings.
  - 1 April 2014 - The scheme changed from a final salary scheme to a Career Average Revalued Earnings (CARE) basis, and employee contribution rates became tiered according to actual earnings.
- 3.3 The benefits accruing to Scheme members prior to Scheme changes are normally protected. Therefore policies have to be made to cover entitlement accrued under multiple variations of the Pension Scheme rules.

#### 4. Reasons for Recommendations

- 4.1 Due to the changes to the Local Government Pension Scheme in April 2014, it is necessary to update the Councils' Discretionary Policy Statements to reflect the current version of the Pension Scheme.
- 4.2 The discretions proposed aim to minimise the cost to the Councils by not adopting discretions that will result in additional costs, and allow flexibility to Scheme members where this is at no cost.
- 4.3 This is in line with the existing approach adopted by the Councils, and thus this report essentially reaffirms the current discretions, but with the new legislative references.
- 4.4 Under the LGPS regulations, councils are required to formulate policies that:
- do not lead to a loss in confidence in the Public Service (this is also explicitly stated in the Compensation discretions), and
  - are affordable.
- 4.5 Furthermore, in order not to be seen to fetter in any way Councils' discretions, the policies should state that each case will be treated fairly. The policy should clearly state the basis and circumstances, on which the decision will be made. It is not recommended to state "case by case basis". If the basis is clearly stated this helps satisfy the "no loss of confidence" clause within the appropriate regulations.
- 4.6 Whilst comparison with other local authorities may assist with policy decisions, the discretionary aspects of the LGPS are specifically designed to allow each individual employer the flexibility to assist with people management within their own circumstances.

**5. Local Government Pension Scheme Regulations 2013 and LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 – Required Policies**

**Additional Annual Pension – Regulation 31**

- 5.1 The ability, at full cost to the employer, to [grant extra annual pension](#) – currently up to £6,500 per annum – to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.
- 5.2 This option does not require a minimum length of service, and could be used as a recruitment tool, as well as at employment termination.
- 5.3 This option is now the only one available to local authorities to grant additional pension as formally Compensatory Added Years (to April 2006) and subsequently Augmentation (to April 2014) have now been removed from the regulations.
- 5.4 The Authority's do not currently have this as an active discretion.

**Proposal**

The Council does not adopt this discretion at this time.

**Shared Cost Additional Pension Contribution (SCAPC) – Regulation 16(2)(e) and 16(4)(d)**

- 5.5 Where an active Scheme member wishes to [purchase extra annual pension](#) - currently up to £6,500 per annum - by making Additional Pension Contributions (APCs), the Councils may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

**Proposal**

The Council does not adopt this discretion at this time.



**Flexible Retirement (aged 55 and over) – Regulation 30(6) etc**

- 5.6 Whether to [permit flexible retirement](#) for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade  
- Regulation 30(6)

AND if so, as part of the agreement to permit flexible retirement:

Whether in addition to the benefits the member has accrued prior to 1<sup>st</sup> April 2008 (which the member must draw), [to permit the member to choose to:](#)

- draw all, part, or none of the pension benefits they accrued after 31<sup>st</sup> March 2008 and before 1<sup>st</sup> April 2014, and / or
  - draw all, part, or none of the pension benefits they accrued after 31<sup>st</sup> March 2014.
- Regulation 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

AND

[Whether to waive, in whole or part, any actuarial reduction](#) which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA).

- Regulation 3(5) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and Regulations 30(6) and 30(8) of the LGPS Regulations 2013.

Waiving any actuarial reduction will result in a cost to the employer.

**Proposal**

The Council elects to exercise this discretion in accordance with the Council's Flexible Retirement Policy and permits the member to:

- draw all, part, or none of the benefits accrued after 31<sup>st</sup> March 2008 and before 1<sup>st</sup> April 2014, and
- draw all, part, or none of the pension benefits accrued after 31<sup>st</sup> March 2014.

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to the Service need, compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

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**85 Year Rule Switch on -LGPS (Transitional Provisions, Savings & Amendments) Regulations 2014 Schedule 2**

- 5.7 Under previous pension scheme rules, if a members age (at the date they drew their benefits) plus the number of years they had been scheme members added up to 85 or more they were entitled to claim a full pension (ie the pension was not actuarially reduced if taken prior to normal retirement age).
- 5.8 Whether, as the 85 year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to [voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85 year rule back on for such members.](#)  
- Paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Where the employer does not do so then:

- a) If the member [has already met the 85 year rule](#), the member's benefits are to be reduced in accordance with the actuarial guidance issued by the Secretary of State (with benefits from any pre 1 April 2008 membership for members who will not be 60 or more on 31 March 2016, and benefits from any pre 1 April 2016 membership for members who will be 60 or more on 31 March 2016, which would not normally have been subject to actuarial reduction nonetheless being subject to a reduction calculated by reference to the period between the date the benefits are drawn and age 60).
- b) If the member [has not already met the 85 year rule](#), the member's benefits are to be reduced in accordance with the actuarial guidance issued by the Secretary of State (with the reduction on the part of the members benefits subject to the 85 year rule being calculated by reference to the period between the date the benefits are drawn and age 60, or the date of attaining the 85 year rule, whichever is the later).
- c) The Councils can exercise [a discretion to waive actuarial reductions](#) (at a cost to the Councils) – See next section.

The application of the 85 rule for benefits drawn early adds additional costs to the Pension Fund which are included in the Triennial revaluations, whilst those incurred prior to age 60 are payable immediately by the employer, the period between 60 and normal pension age is a "hidden" cost.

Any decision by the Councils to switch back on the 85 year rule would need to be justifiable and affordable.

**Proposal**

The Council does not adopt the discretion to switch the 85 year rule back on at this time.

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### Waiving Actuarial Reductions on Voluntary Retirement – Various Regulations

5.9 For active members [voluntarily](#) retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits,  
and for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age,  
and who

a) [were not members of the LGPS before 1 October 2006](#), whether to :

[Waive on compassionate grounds](#), any actuarial reduction that would otherwise be applied to benefits accrued [before 1 April 2014](#),

and / or

waive, in whole or in part ([on any grounds](#)), any actuarial reduction that would otherwise be applied to benefits accrued [after 31 March 2014](#).

b) [were members of the LGPS before 1 October 2006 and who will be 60 or more on 31 March 2016](#), whether to:

[Waive on compassionate grounds](#), any actuarial reduction that would otherwise be applied to benefits accrued before [1 April 2016](#),

and / or

waive, in whole or in part ([on any grounds](#)), any actuarial reduction that would otherwise be applied to benefits accrued [after 31 March 2016](#).

c) [were members of the LGPS before 1 October 2006 and who will not be 60 or more on 31 March 2016, and will not attain age 60 between 1 April 2016 and 31 March 2020](#) whether to:

[Waive on compassionate grounds](#), any actuarial reduction that would otherwise be applied to benefits accrued before [1 April 2014](#),

and / or

waive, in whole or in part ([on any grounds](#)), any actuarial reduction that would otherwise be applied to benefits accrued [after 31 March 2014](#).

- d) were members of the LGPS before 1 October 2006 and who will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020 whether to:

Waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2020,

and / or

waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020.

Waiving any actuarial reduction will result in a cost to the employer.

**Proposal**

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to the Service need, compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**6. Local Government Pension Scheme Regulations 2013 – Recommended Policies**

**Transfers in to Fund – Regulation 100(6)**

- 6.1 Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if the member has not made such an election within 12 months of joining the LGPS.
- 6.2 It should be noted that inward transfer of pension rights could lead to additional costs to the employer. Both the employer and the Administering Body must agree to the transfer for it to be permitted.

**Proposal**

The Council will decline any request to transfer in pension rights after the 12 month limit has been exceeded, unless there are extenuating circumstances. Any request for extenuating circumstances will be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**Aggregation of Deferred Benefits – Regulation 22(7) & (8)**

- 6.3 Whether to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit in England & Wales following the cessation of employment (or cessation of a concurrent employment) may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

**Proposal**

The Council will decline any request to extend the 12 month deadline for non-aggregation of deferred pensions into a concurrent or new LGPS employment unless there are extenuating circumstances. Any request for extenuating circumstances will be subject to the consent of the Head of Paid Service, following consultation with the Joint Staffing Committee Co-Chairman.

**7. Local Government Pension Scheme – Other Required Policies**

**Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011**

- 7.1 Under the above regulations employers within the LGPS must formulate, publish and keep under review a policy on:
- a) Whether to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:
    - Suffer a reduction in remuneration, or
    - Cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or
    - Die leaving a surviving spouse, civil partner or dependent, and
  - b) If the employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid.

**Proposal**

The Council elects not to have an Injury Allowance scheme at this time.

**The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006**

- 7.2 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 contains provisions relating to discretionary payments that can be made to persons engaged in local government employment.
- 7.3 The following two discretions are open to local authorities.

Regulation 5 – Redundancy Payments to be based on Actual Pay

- (1) Compensation may be paid in accordance with this regulation to a person who is entitled to a redundancy payment under the 1996 Act on the termination of their employment.
- (2) The amount which may be paid must not be more than the difference between -
- (a) the redundancy payment to which he is entitled under Part 11 of the 1996 Act; and
  - (b) the payment to which he would have been entitled if there had been no limit on the amount of a week's pay used in the calculation of his redundancy payment.

**Proposal**

The Council adopts this discretion in accordance with its current Redundancy Policy stating that the weekly pay limit shall not apply.

Regulation 6 - Discretionary Termination Payments

- (1) This regulation applies where a person
- (a) is, or is eligible to be, a member of the LGPS,
  - (b) ceases to hold their employment on the grounds of redundancy or in the interests of the efficient exercise of the employer's functions, and
  - (c) does not receive an award of additional pension under Regulation 31 of the LGPS Regulations 2013.
- (2) Where this regulation applies, the employing authority may, not later than six months after the termination date, decide to pay compensation under this regulation and in that event shall, as soon as reasonably practicable after the decision, notify the person in whose favour it has been made, giving details of the amount of the compensation.
- (3) The amount of compensation (inclusive of any redundancy payment) must not exceed 104 weeks' pay.
- (4) Chapter 2 (a week's pay) of Part 14 (Interpretation) of the 1996 Act shall apply for the purpose of calculating a person's week's pay as it applies for the purpose of calculating redundancy payments but -
- (a) with the substitution for references to the calculation date of references to the termination date; and
  - (b) without the limit on a week's pay imposed by section 227 of that Act.
- (5) If the person in whose favour a decision under paragraph (2) has been made receives a redundancy payment under Part 11 of the 1996 Act or compensation under regulation 5 of these Regulations, the equivalent amount shall be deducted from the compensation otherwise payable to him under this regulation.
- (6) Compensation under this regulation shall be paid by the employing authority as soon as practicable after the decision under paragraph (2).
- (7) The compensation shall be payable in the form of a lump sum.

**Proposal**

The Council shall exercise this discretion in exceptional or extenuating circumstances only.

Each case will be considered fairly, on its merits and subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman, ensuring no serious loss in confidence in the Public Service and that any payment is affordable.

**Deferred Benefits – Ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 14**

- 7.4 By virtue of Regulation 66 of the LGPS (Administration) Regulations 2008 the Authority is required to prepare and publish a policy on the following discretions.
- 1) Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before 60 - Regulation 30(2) LGPS 2007.
  - 2) Whether, [on compassionate grounds](#), to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65 - Regulation 30(5) LGPS 2007.
  - 3) Whether to grant applications for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 - Regulation 30A(3) LGPS 2007.
  - 4) Whether, [on compassionate grounds](#), to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65 - Regulation 30A(5) LGPS 2007.
- 7.5 Permitting early application of deferred pensions on the basis of 1) & 3) above incur no direct costs to the employer, subject to 85 year rule switch on not being applied.
- 7.6 Waiving of actuarial reductions for early release of pension will result in a pension strain cost immediately payable by the employer.

**Proposal**

The Council adopts the discretion to grant early release of deferred pension.

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.



**8. Local Government Pension Scheme – Other Recommended Policies**

**Deferred Benefits – Ceased active membership prior to 1<sup>st</sup> April 1998  
– Regulation D11(2)c LGPS Regulations 1995**

- 8.1 The ability to grant, [on compassionate grounds](#) only, the early payment of deferred pension benefits on or after age 50 and before 65.
- 8.2 Each application will depend on the individual circumstances as to whether actuarial reductions would apply or a pension strain incurred.

**Proposal**

The Council adopts the discretion to grant early release of deferred pension on compassionate grounds.

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**9. Consultation**

- 9.1 Unison have been informally consulted. However this policy confers no formal contractual rights to employees.

**10. Options**

- 10.1 The discretionary aspect of the LGPS is specifically designed to allow each individual employer the flexibility to assist with people management within their own circumstances. The Councils may therefore agree different discretions to those proposed in the report.
- 10.2 The Councils are also able to not agree policies in some areas. However it is recommended that policies are agreed for all areas to provide clarity and consistency.

## 11. Corporate Implications

- 11.1 Depending on the discretions agreed, there may be an additional cost to the Councils. However the proposals included in this report minimise the cost.
- 11.2 The Councils must have proper regard to the extent to which the exercise of these discretions could lead to a loss of confidence in Public Service, they must be workable, affordable and reasonable, be fairly applied and have regard to foreseeable costs.

## 12. Links to Council Policy Objectives

- 12.1 This policy relates to delivering cost effective, customer focused services. In particular treating staff fairly, in order to attract, retain and develop dedicated staff.

## 13. Next Step

- 13.1 If agreed by the Joint Staffing Committee, the Discretionary Policy Statement will be presented to the respective Full Councils for formal approval.

<b>Background Papers:</b>	None
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## Appendix 1

### Local Government Pension Scheme Discretionary Policy Statement

This policy confers no contractual rights to employees.

The Council retains the right to change this policy at any time.

The current adopted policy, at the time an event occurs, shall be applied.

In making decisions under these discretions the Council undertakes to:

- apply such discretions fairly in all cases;
- not expose the Council to any serious loss of Public confidence; and
- ensure that each application is affordable and any foreseeable costs where applicable, have been taken into consideration.

#### [Local Government Pension Scheme Regulations 2013 and LGPS \(Transitional Provisions, Savings and Amendment\) Regulations 2014 - Required Policies](#)

##### **Additional Annual Pension – Regulation 31**

The ability, at full cost to the employer, to grant extra annual pension – currently up to £6,500 per annum – to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

The Council does not adopt this discretion at this time.

##### **Shared Cost Additional Pension Contribution (SCAPC) – Regulation 16(2)(e) and 16(4)(d)**

Where an active Scheme member wishes to purchase extra annual pension - currently up to £6,500 per annum - by making Additional Pension Contributions (APCs), the Council may voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

The Council does not adopt this discretion at this time.

### **Flexible Retirement (aged 55 and over) – Regulation 30(6) etc**

Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of their employer, reduce their working hours or grade.

The Council elects to adopt this discretion in accordance with the Council's Flexible Retirement Policy and permits the member to:

- draw all, part, or none of the benefits accrued after 31<sup>st</sup> March 2008 and before 1<sup>st</sup> April 2014, and / or
- draw all, part, or none of the pension benefits accrued after 31<sup>st</sup> March 2014.

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to the Service need, compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

### **85 Year Rule Switch on – LGPS (Transitional Provisions, Savings & Amendment) Regulations 2014 Schedule 2**

Where the member voluntarily draws their pension early (other than flexible retirement) the rule of 85 does not automatically apply. The employer may choose to switch back on the rule of 85.

The Council does not adopt this discretion at this time.

### **Waiving Actuarial Reductions on Voluntary Retirement – Various Regulations**

To waive, in whole or part, actuarial reduction on benefits paid before normal retirement age.

The Council is unlikely to waive any actuarial reduction.

However the Council elects to review each application fairly based on its circumstances and merits having regard to the Service need, compassionate grounds (as applicable) and costs.

Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

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**Local Government Pension Scheme Regulations 2013 - Recommended Policies**

**Transfers in to Fund – Regulation 100(6)**

The Council will decline any request to transfer in pension rights after the 12 month limit has been exceeded, unless there are extenuating circumstances.  
Any request for extenuating circumstances will be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**Aggregation of Deferred Benefits – Regulation 22(7) & (8)**

The Council will decline any request to extend the 12 month deadline for non-aggregation of deferred pensions into a concurrent or new LGPS employment unless there are extenuating circumstances.  
Any request for extenuating circumstances will be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**Local Government Pension Scheme - Other Required Policies**

**Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011**

The Council elects not to have an Injury Allowance scheme at this time.

**The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006**

Regulation 5 – Redundancy Payments to be based on Actual Pay

The Council adopts this discretion in accordance with its current Redundancy Policy stating that the weekly pay limit shall not apply.

Regulation 6 – Discretionary Termination Payments

The Council will exercise this discretion in exceptional or extenuating circumstances only. Each case will be considered fairly, on its merits and subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman, ensuring no serious loss in confidence in the Public Service and that any payment is affordable.

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**Deferred Benefits – Ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2014 – Regulation 66 of the LGPS (Administration) Regulations 2008**

The Council adopts the discretion to grant early release of deferred pension. The Council is unlikely to waive any actuarial reduction. However the Council elects to review each application fairly based on its circumstances and merits having regard to compassionate grounds (as applicable) and costs. Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.

**[Local Government Pension Scheme - Other Recommended Policies](#)**

**Deferred Benefits – Ceased active membership prior to 1<sup>st</sup> April 1998 – Regulation D11(2)c LGPS Regulations 1995**

The Council adopts the discretion to grant early release of deferred pension on compassionate grounds. The Council is unlikely to waive any actuarial reduction. However the Council elects to review each application fairly based on its circumstances and merits having regard to compassionate grounds (as applicable) and costs. Any application to waive actuarial reduction to be subject to the consent of the Head of Paid Service, following consultation with the relevant Joint Staffing Committee Co-Chairman.