

Shadow Dorset Council

Date of Meeting	11 February 2019
Lead Member	Tony Ferrari – Lead Member for Finance
Officer	Nicola Houwayek, HR Strategic Lead, Shaping Dorset Council
Subject of Report	Local Government Pension Scheme (LGPS) Employer Discretions Policy Statement
Executive Summary	<p>The LGPS regulations require all scheme employers to prepare and publish a pension discretions policy statement.</p> <p>This report sets out the proposed policy statement that is recommended for adoption by the new Dorset Council with effect from 1 April 2019.</p> <p>The discretions cover a range of areas for existing scheme members and deferred beneficiaries and include flexible retirement, additional pension contribution arrangements and early access to deferred benefits.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>The policy discretions that are recommended require that each case is considered on its own merits and ensuring that this can be objectively justified and full consideration given to potential discrimination.</p>
	<p>Use of Evidence:</p> <p>A range of evidence has been used to develop the options including pension regulations, the approach of existing sovereign councils, feedback from the HR policy work stream and effectiveness of use moving forward.</p>
	<p>Budget:</p> <p>There are no direct cost implications arising from this report. If the proposed policy statement is approved, the budgetary position remains unchanged. Application of the discretions are considered on an individual case by case basis.</p>

	<p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the LGR approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk: LOW</p>
	<p>Other Implications:</p> <p>None.</p>
Recommendation	It is recommended that the Shadow Executive approves the implementation and publication of the pensions discretion policy statement for Dorset Council
Reason for Recommendation	To comply with the requirements under the LGPS regulations and to ensure that a consistent approach is taken in consideration of all cases.
Appendices	Appendix 1: Pensions Discretion Policy Statement
Background Papers	None
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1. Background

1.1 All employing authorities providing the Local Government Pension Scheme (LGPS) have various discretionary powers under LGPS regulations.

1.2 All councils must publish and keep under review a statement of policy on how they will exercise their discretions. This report sets out the proposed pension discretions policy statement for adoption by the new Dorset Council.

2. LGPS Discretions

2.1 The discretions relate to whether or not Dorset Council will allow LGPS members to access their pension benefits early in a number of different circumstances. In formulating the policy statement, the employer is required to consider:

- discrimination
- cost
- fettering (making the policy unnecessarily restrictive)
- the extent to which exercising a discretion could lead to a serious loss of confidence in the public sector

2.2 With regard to each discretion, employers can decide:

- Not to exercise their discretion
- To apply a standard approach to all applications
- To exercise their discretion on a case by case basis
- To implement a more detailed approach in relation to a discretion

2.3 The discretion policy statements for existing sovereign councils are broadly similar and the proposed approach is largely based upon existing arrangements. This includes the key aim of taking a 'case by case' approach to each consideration.

2.4 The statement of policy uses the template provided by the Pension Fund and will ensure that application of the policy takes account of business need and the ability to support employees where there are exceptional circumstances, such as compassionate grounds.

3. Next Steps

3.1 Once the policy statement has been approved, it will be shared with the Pension Fund and published on the website.

Nicola Houwayek
HR Strategic Lead, Shaping Dorset Council

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