

Personnel Sub-Committee

Date: 5 July 2021

Title: Statement of Pension Discretions and Flexible Retirement Policy

Purpose of the Report:

To provide Committee with proposed minor amendments to the Statement of Pension Discretions and to consider approval of a new Flexible Retirement Policy.

Contact Officer:

Sarah Sandiford, Head of Democratic and Central Services/Deputy Town Clerk

Corporate Objective/s	n/a Statutory obligation as employer	
Implications:		
Financial	No	
Human Resources	No	
Operational/Service delivery	No	
Procedural/Legal	Yes	To ensure the Council is compliant with its responsibilities as employer
Risk/Health and Safety	No	
Environmental Aims	No	

1 RECOMMENDATIONS

Should Members be minded, the proposals are:

- 1.1 To recommend approval of the revised Town Council Statement of Pension Discretions (**Appendix C**), including the policy on determining the rate of employee contributions (**Appendix D**).
- 1.2 To recommend approval of the Flexible Retirement Policy (**Appendix E**).
- 1.3 To note that all documents will require review again in three years' time.

2 BACKGROUND

- 2.1 Following a change in the law, the Town Council was required to adopt a Statement of Pension Discretions in 2014. Following external advice with a specialist consultant, the current Statement was adopted in July 2014.
- 2.2 The Statement was reviewed after three years and was re-endorsed with no changes in June 2017.
- 2.3 The Statement was due for its three yearly review in June 2020 but this work was delayed due to the Covid-19 pandemic.
- 2.4 In recent months, officers have sought advice from Bedfordshire Pension Fund in respect of the Council's Statement of Pension Discretions and a number of minor amendments are recommended for approval.
- 2.5 The following appendices are **attached** for information:
 - A – current Statement of Pension Discretions
 - B – statement mapped onto new template with comments from Beds Pension Fund
 - C – proposed new Statement of Pension Discretions
 - D – proposed policy on determining the rate of employee contributions
 - E – proposed new Flexible Retirement Policy

3 SUMMARY OF RECOMMENDED CHANGES

- 3.1 The advice received from Bedfordshire Pension Fund can be summarised as below.
- 3.2 The Statement has been mapped across to an updated policy template and the points raised by Beds Pension Fund can be seen in the **attached Appendix B**.
- 3.3 Section 1, Regulation R9(1) & (3): a more detailed policy is suggested to support this discretion. This has been drafted as is attached for consideration at **Appendix D**.
- 3.4 Section 1, Regulation R16(16): this is a new discretion which we have discussed and taken advice on from Beds Pension Fund, as shown in the comments in Appendix B.
- 3.5 Section 1, Regulation R21(5): sentence shown in blue on revised version reflects that the member does not make the decision, the council does, and therefore how they may appeal.
- 3.6 Section 1, Regulation R21(5A) & R21(5B): this is a new discretion which we have discussed and taken advice on from Beds Pension Fund, as well as reviewing some sample policies from other employers.

3.7 Section 1: Regulation R22(7)(b) & R22(8)(b): slightly amended as shown in the comments in Appendix B.

3.8 Section 1: Regulation R30(6) & TP11(2): this refers to flexible retirement. The existing LLTC discretion says the council will seek to take advantage of the flexibility. A policy is needed to support this in more detail and to set out the process by which any application would be considered. The resulting draft Flexible Retirement Policy is shown at **Appendix E**. For more information **see section 4 below**.

A proposed change to this discretion is to remove the reference to a fixed salary saving of more than £5,000 per annum but simply to refer to a percentage cost saving (proposed wording to be removed is shown with strike through in Appendix C).

3.9 Section 1: Regulation 74: this has been amended to show a committee rather than an individual having responsibility for determinations as adjudicator.

3.10 The wording for several discretions has been unchanged since the adoption of the Statement in 2014 and it is felt that this is no longer a wholly accurate representation. Below is shown the existing wording and the proposed revised wording:

Current statement applicable to many pension discretions:

That the Council will not generally, during its normal course of business ordinarily consider this discretion due to financial pressures it is currently facing, at a time when there is a need to make significant savings via the public sector spending revenue.

Proposed revised statement applicable to many pension discretions:

That the Council will not generally, during its normal course of business ordinarily consider this discretion due to the cost implications and the need to ensure that funding received from taxpayers is primarily utilised for the provision of services to benefit the community of Leighton-Linslade.

3.11 There are no changes to Sections 2 or 3 of the Statement of Pension Discretions.

4 FLEXIBLE RETIREMENT POLICY

4.1 The Flexible Retirement Policy has been developed using that adopted by Luton Borough Council albeit adapted to fit our existing/proposed pension discretions.

4.2 The policy seeks to set out clear parameters but to allow the flexibility of potentially allowing the Town Council to consider the waiving of actuarial reductions on benefits paid on early retirement, in exceptional circumstances. This is in accordance with our existing pension discretion (Section 1, regulation R30(8)).

4.3 The policy also sets out the process to be followed when considering a request for flexible retirement.

End.