

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	ANNUAL GENERAL MEETING		
DATE:	26TH JUNE, 2014	REPORT NO:	CFO/078/14
PRESENTING OFFICER	NICK MERNOCK, NYREE COLLINSON DEPUTY CHIEF EXECUTIVE		
RESPONSIBLE OFFICER:	NICK MERNOCK	REPORT AUTHOR:	DIRECTOR OF POD
OFFICERS CONSULTED:			
TITLE OF REPORT:	DISCRETIONS – STATEMENT OF POLICY LOCAL GOVERNMENT PENSION SCHEME		

APPENDICES:	A B	CURRENT POLICY ON DISCRETIONS AREAS IN WHICH DISCRETION IS REQUIRED TO BE EXERCISED
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Purpose of Report

1. To bring to the attention of Members, the following information regarding the Local Government Pension Scheme.

Recommendation

2. That Members
 - a) note the contents of this report.
 - b) approve the proposed responses to the discretionary actions
 - c) endorse their submission to Merseyside Pension Fund

Introduction and Background

3. With effect from 1st April 2014 the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 came into force.
4. Under these Regulations, as with previous Regulations, Scheme employers are required to prepare, maintain and keep under review a statement of policy concerning a number of discretions made available to them throughout the Regulations. Scheme employers have many decisions to take with regard to numerous discretions and requirements made of them as outlined in the statutory legislation and it is important that each Scheme employer takes full responsibility for ensuring that their obligations are fulfilled appropriately and in accordance with the statutory instruments laid by Parliament.

5. Some statements of policy in respect of certain Scheme Regulations are compulsory as in the main they can carry significant cost implications for a Scheme employer and this is the minimum policy requirement made of Scheme employers. However, it is generally recognised that there is considerable value in Scheme employers making statements of policy in respect of other Scheme Regulations where discretion is available to them for ease of administration and consistency of approach even though it is not compulsory to do so. All employers participating in the LGPS must prepare and publish discretionary Policies under the provisions of the LGPS 2014 Regulations.
6. Employer Policy Statements should be clear, unambiguous, having regard for overriding equality legislation - making them less open to challenge or appeal, and not “fettered” i.e. limiting or rigid in their application.

Authority Implications

7. There are five compulsory employer discretions from April 2014 and two existing Policies for members, who left prior to April, which are required by law to be included in the Authority’s Policy Statement.
8. This requirement is in Regulation 60(1) of the LGPS (Administration) Regulations 2013 and Regulation 66(1) of the LGPS (Administration) Regulations 2008.
9. The Authority Policy previously has been produced to allow the Authority to take each case on its own merits. This allows for the full implications of each case to be considered and a decision made in accordance with the circumstance of that particular case, and a full consideration of the financial implications. In doing so the Authority seeks to avoid making unnecessary precedents which it could do if it had specific prescribed outcome
10. The current Policy on discretions is attached as Appendix A, and confirms the approach detailed above. If members are minded to approve the proposed new discretions these will be incorporated into a revised Policy
11. Appendix B provides members with the detail of the 2014 Regulations areas in which discretion is required for inclusion in the revised policy and the proposed resolutions to each one is set out in the table.
12. It is also a legal requirement under Regulation 60(5) that the Authority has regard to the extent to which the Policy on exercising these discretions might lead to a serious loss of confidence in the public service. Therefore in adopting an each case on its own merits approach the Authority retains the ability to be prudent in how it adopts and implements the regulations, and removes itself from potential criticism based around the media documented criticism of ‘ large pay offs’

13. If members are minded to approve the proposed responses then through the Director of People and Organisational Development these will be reported to the Merseyside Pension Fund.

Equality and Diversity Implications

14. These discretions are applied only on the merits of each case, so are applied equally to all employees

Staff Implications

15. The proposed actions in Appendix B ensures the continued fair application of Authority pension related discretions to all employees

Legal Implications

16. The proposed responses to the Pension discretions is consistent with previous discretionary activity, and ensures the Authority complies with its legal obligations

Financial Implications & Value for Money

17. The proposed responses will ensure the Financial decisions in relation to the release of an individual's pension are taken appropriately , and in full cognisance of the financial parameters facing the Authority

Risk Management, Health & Safety, and Environmental Implications

18. None

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

19. The proposed action, ensures that each employee is treated fairly , and within a transparent process in relation to Pensions

BACKGROUND PAPERS

GLOSSARY OF TERMS
