

# Agenda

## Appointments Etc Panel

**Friday, 3 March 2017, 12.00 pm**  
**County Hall, Worcester**

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كوردی سۆزانی. ننگهر ناتوانی تێبگهی له ناوهرۆکی نهم بێلگهی و دهستت به هیچ کس نایگات که وهیگهریتنوه بۆت، تکلیه تملظون بکه بۆ ژمارهی 01905 765765 و داوای رینۆونی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਸ਼ਹੂਰ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤੁਹਾਡੇ ਲਈ ਅਨੁਵਾਦ ਕਰ ਸਕੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਮਦਦ ਲਈ 01905 765765 'ਤੇ ਫ਼ੋਨ ਕਰੋ। (Punjabi)

# DISCLOSING INTERESTS

There are now 2 types of interests:  
**'Disclosable pecuniary interests'** and **'other disclosable interests'**

## WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3<sup>rd</sup> party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

**NB Your DPIs include the interests of your spouse/partner as well as you**

## WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
  - you must **not participate** and you **must withdraw**.

**NB It is a criminal offence to participate in matters in which you have a DPI**

## WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:  
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

## WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

## DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

## DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
  - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

## **Appointments Etc Panel**

### **Friday, 3 March 2017, 12.00 pm,**

**Membership:** Mr A N Blagg, Mrs S L Blagg, Mr A C Roberts, Mr G J Vickery and  
Mr T A L Wells

### **Agenda**

<b>Item No</b>	<b>Subject</b>	<b>Page No</b>
6	<b>Pension policy administration</b>	1 - 6
7	<b>Exclusion of Press and Public</b> <b>The Panel will be asked to exclude the press and public from the meeting for the following item as it is likely that exempt information relating to any individual will be disclosed and the public interest in maintaining the exemption outweighs the public interest in disclosure.</b>	
8	<b>Appointment of Assistant Director (Adult Services)</b>	7 - 22

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**APPOINTMENTS ETC PANEL  
3 MARCH 2017****LOCAL GOVERNMENT PENSION SCHEME (LGPS) – STATEMENT  
OF POLICY ABOUT EXERCISE OF DISCRETIONARY FUNCTIONS  
AND SUPPLEMENTARY DISCRETIONS (EMPLOYER)**

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**Recommendation**

1. The Director of Commercial and Change recommends that the Panel:
  - a) Approves the attached ‘Statement of Policy’ in respect of the discretionary powers under the Local Government Pension Scheme (LGPS) (noting the proposed amendment)
  - b) Approves the application of the policy to be delegated to the relevant Director in consultation with the Director of Commercial and Change and Head of HR & OD and the relevant Director in relation to Regulation 31, 16(2)e, 16(4)d and 30(8) and in consultation with the Head of HR & OD in relation to Regulation 30(6) and 30 (special provisions for deferred members who left before 31 March 2014).

**Employer Discretions**

2. The LGPS 2014 Regulations require us to produce, publish and review our policy discretions and advise the Worcestershire Pension Fund, as the Administering Authority.
3. There are four discretions the Council is required by law to include in its policy:
  - Voluntary funding of additional pension via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular ongoing contribution or one-off lump sum
  - Flexible retirement
  - Waiving all or part of any actuarial reduction; and
  - Award of additional pension (at whole cost to the employer).
4. In determining these four discretions, it is also a legal requirement that the Council has regard to the extent to which its decisions might lead to a serious loss of confidence in the public service.
5. The Appointments Etc Panel last reviewed the Policy Statement in December 2014.
6. The single proposed change to the Policy is to amend the frequency of assessment for the contribution rate to monthly (from annually at 1 April each year) as provided for in Regulation 9 (3) which provides that an Employer can amend the rate to a different band

as a result of a change of employment or material change which affects the member's pensionable pay.

7. In addition to those discretions which the Council must publish and review the Regulations also provide supplementary discretions and the key ones have been included in the draft policy statement.

8. In order to assist the Panel, the matters which the Council must determine and publish its policy is set out in Appendix 1

### **Financial Implications**

9. In recommending this discretionary policy, the Chief Financial Officer and Pension Fund Manager have been consulted and have confirmed that;

- there are no financial implications arising directly from this report and
- that any costs associated with its application of specific discretions in individual cases, would have to be met from the employing service's cash limits.

### **Supporting Information**

Appendix 1 – Statement of Policy, Local Government Pension 2014 Scheme Discretions

### **Contact Points**

#### **County Council Contact Points**

Simon Mallinson, Head of Legal and Democratic Services – 01905 846670

Email: [smallinson@worcestershire.gov.uk](mailto:smallinson@worcestershire.gov.uk)

#### **Specific Contact Points for this Report**

Elaine Chandler, Head of HR & OD – 01905 844378

Email: [echandler@worcestershire.gov.uk](mailto:echandler@worcestershire.gov.uk)

# STATEMENT OF POLICY

## Local Government Pension 2014 Scheme Discretions

The Local Government Pension Scheme (LGPS) Regulations 2013 (as amended) require each employing authority to formulate, publish and keep under review a policy statement in relation to the exercise of a number of discretions under the LGPS. The Regulations stipulate this requirement in four areas, namely:

- Voluntary funding of additional pension via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular ongoing contribution or one-off lump sum;
- Flexible retirement;
- Waiving all or part of any actuarial reduction; and
- Award of additional pension (at whole cost to the employer).

The LGPS (Transitional Provisions and Savings) Regulations 2014 also require that employers have a policy on whether to agree to apply the 85 year rule to a scheme member wishing to voluntarily draw benefits on or after 55 and before age 60.

This Statement also includes three discretions which the employing authority must make under the LGPS Regulations although there is no statutory requirement to publish them the Council includes them for information.

This Statement is applicable to all employees of Worcestershire County Council who are eligible to be members of the LGPS. The Council will consider each request on its merits and in accordance to the considerations described for each Regulation.

### **Regulation 31: Award of Additional Pension**

(1) A Scheme employer may resolve to award:

- (a) an active member, or
- (b) a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency, additional annual pension of, in total (including any additional pension purchased by the Scheme employer under regulation 16), not more than the additional pension limit payable from the same date as any pension payable under other provisions of these Regulations from the pension account to which the additional pension is attached, provided that, in the case of a member falling within sub-paragraph (b), the resolution to award additional pension is made within 6 months of the date the member's employment ended.

(2) The additional pension limit is £6,500 from 1st April 2014 and that figure is increased on 1st April 2015, and each subsequent 1st April, by the amount (where it is greater than zero) by which it would be increased if it were a pension beginning on 1st April 2013 to which the Pensions (Increase) Act 1971 (a) applied.

**Worcestershire County Council will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.**

**Application of policy:** Delegated to the relevant Director in consultation with the Director of Commercial and Change and Head of Human Resources and Organisational Development with the exception of all chief officer related posts.

**Regulation 16(2)e and Regulation 16(4)d: Additional Pension Contributions**

A Scheme Employer may resolve to make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (part or whole funding this)

[Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]

**Worcestershire County Council will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.**

**Application of policy:** Delegated to the relevant Director in consultation with the Director of Commercial and Change and Head of Human Resources and Organisational Development with the exception of all chief officer related posts.

**Regulation 30(6): Retirement Benefits (flexible retirement)**

An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not an employee in local government service on the date of the reduction in hours or grade, adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

**The Council when exercising its right to agree an employee's flexible retirement will take account of:**

- There is no significant detrimental effect on service delivery.
- The flexible working arrangement is fair and equitable to all employees in the team.
- The reduction in hours is significant (normally a minimum reduction of 20% of current hours) or the employee is moving to a lower graded post.

**The Council will also consider and take account of any compassionate grounds.**

**The Council will not grant the benefit to waive any actuarial reduction as a result of the employee's flexible retirement, other than in exceptional circumstances.**

**Application of policy:** Delegated to the relevant Director in consultation with the Head of Human Resources and Organisational Development with the exception of all chief officer related posts.



### **Regulation 30(8): Retirement Benefits (waiving actuarial reduction)**

A Scheme employer, former employer which is a Scheme employer, or, where a member's employer or former employer has ceased to be a Scheme employer, the appropriate administering authority, may agree to waive in whole or in part any reduction that would, apart from this paragraph, be required by paragraphs (5) or (6).

**Worcestershire County Council will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.**

**Application of policy:** Delegated to the relevant Director in consultation with the Director of Commercial and Change and Head of Human Resources and Organisational Development with the exception of all chief officer related posts.

### **Regulation 1(1)c of Schedule 2 (LGPS (Transitional Provisions and Savings) Regulations 2014)**

A Scheme Employer can allow the rule of 85 to be "switched on" for members who would normally meet the rule but who will not if they draw the benefits age 55-59

**Worcestershire County Council will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.**

**Application of policy:** Delegated to the relevant Director in consultation with the Director of Commercial and Change and Head of Human Resources and Organisational Development with the exception of all chief officer related posts.

## **SUPPLEMENTARY DISCRETIONS UNDER THE LGPS REGULATIONS 2013**

### **Regulation 22(8 & 9): Pension Accounts**

**Worcestershire County Council will only grant an extension to the 12 month period to separate previous local government service contained within this regulation, where:**

- a) the available evidence indicates the member made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority.**
- c) where the available evidence indicates the member had not been informed of the 12 month time limit.**

### **Regulation 9(3): Contributions**

**Worcestershire County Council will review all employees contribution band on a monthly basis as a result of change of employment or material change which affects the member's pensionable pay. Hence, when a member salary or hours change (either temporarily or permanently) the member's contribution rate for the month of change will be reviewed and amended in accordance with the contribution table.**

## Regulation 100(6): Inward Transfers of Pension Rights

Worcestershire County Council will only consider an extension to the 12 month period to combine previous non local government service where:

a) the member has requested for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS but has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS may be extended by one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS.

b) the available evidence indicates the member made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority.

c) where the available evidence indicates the member had not been informed of the 12 month time limit.

## **SPECIAL PROVISIONS FOR DEFERRED MEMBERS WHO LEFT BEFORE 31 MARCH 2014**

### **Early Payment of Benefits**

Deferred members who left the scheme before 31 March 2014 will be governed by the LGPS Regulations 2007 and the Councils Discretionary Policy Statement agreed April 2012 regarding Regulation 30:

### **Regulation 30 (choice of early payment of pension)**

- (1) If a member leaves a Local Government employment before s/he is entitled to the immediate payment of retirement benefits (apart from this regulation), once s/he has attained the age of 55 s/he may choose to receive payment of them immediately.*
- (2) A choice made by a member of less than 60 is ineffective without the consent of his employing authority or former employing authority.*
- (3) If the member so chooses, s/he is entitled to a pension payable immediately.*
- (4) Her/his pension must be reduced by the amounts shown as appropriate in guidance issues by the Government Actuary.*
- (5) A member's employing authority may determine on compassionate grounds that her/his retirement pension should not be reduced under the above.*

**Worcestershire County Council will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.**

**Application of policy:** Delegated to the Head of Human Resources and Organisational Development with the exception of all chief officer related posts.

**HR Service & Commissioning, Central Human Resources (HR/BAC)  
Commercial and Change Directorate  
Worcestershire County Council  
Appointments Etc Panel 3 March 2017**

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