

**Blaby District Council**  
**Council**

<b>Date of Meeting</b>	21 May 2024
<b>Title of Report</b>	<b>Review of Discretionary Pension Policy</b> This is not a Key Decision and is on the Forward Plan
<b>Lead Member</b>	<b>Cllr. Maggie Wright - Finance, People &amp; Performance</b> <b>(Deputy Leader)</b>
<b>Report Author</b>	Finance Group Manager
<b>Strategic Themes</b>	Ambitious and well managed Council, valuing our people.

**1. What is this report about?**

- 1.1 The report seeks approval of the Council's updated discretionary policy in relation to the Local Government Pension Scheme (LGPS).

**2. Recommendation(s) to Council**

- 2.1 That the updated Discretionary Pension Policy as shown at Appendix A are approved.

**3. Reason for Decisions Recommended**

- 3.1 To ensure that the policy covering active and deferred LGPS members remain up to date and fit for purpose.

**4. Matters to consider**

4.1 Background

LGPS employers are required to publish and keep under review a statement of policy to explain how they will apply a range of discretions that exist as part of the scheme regulations. This provides employers with the flexibility to manage certain issues relating to the benefits of their employees who are LGPS members, although exercising those discretions can have immediate costs attached to them.

Blaby's current Discretionary Pension Policy was approved by Council in September 2018, so is now more than five years old. It is considered good practice to review the policy on a regular basis to ensure that it reflects current pension regulations.

## 4.2 Proposal(s)

The updated Discretionary Pension Policy appears at Appendix A.

As mentioned above, the adoption of the policy may lead to additional pension capital costs being incurred in certain circumstances, depending upon the age and length of service of the employee. Therefore, the policy has been written to minimise the impact of the Council facing substantial costs in the future, and only in cases where there is a sound business case for doing so.

In future it is intended to review the Discretionary Pension Policy every three years.

## 4.3 Relevant Consultations

There are no significant changes to the Council's existing policy, and it is therefore, considered that there is no need for wider consultation with trade unions.

## 5. What will it cost and are there opportunities for savings?

- 5.1 Not applicable. The proposed policies aim to minimise the risk of the Council facing substantial pension capital costs due to LGPS members and deferred members taking early retirement.

## 6. What are the risks and how can they be reduced?

### 6.1

Current Risk	Actions to reduce the risks
Pension capital costs may still arise in certain circumstances where an LGPS member retires between the age of 55 and normal pension age.	The discretionary policies will only permit this to happen in circumstances where there is a sound business case which provides financial and operational benefits to the Council.

## 7. Other options considered

- 7.1 None, it is a statutory requirement to have discretionary pension policies in place.

## 8. Environmental impact

- 8.1 No issues arising directly from this report.

**9. Other significant issues**

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

**10. Appendix**

- 10.1 Appendix A – Local Government Pension Scheme Employer Discretions Policy

**11. Background paper(s)**

- 11.1 None.

**12. Report author's contact details**

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