


REPORT TO CABINET

25 July 2018

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| Subject: | Amendments to the Pensions Policy Statement |
| Presenting Cabinet Member: | Councillor Steve Trow - Cabinet Member for Culture and Core Council Services |
| Director: | Executive Director – Resources – Darren Carter |
| Contribution towards Vision 2030: |  |
| Key Decision: | No |
| Cabinet Member Approval and Date: | Cllr. Steve Trow – 27/06/18 |
| Director Approval: | Darren Carter |
| Reason for Urgency: | Urgency provisions do not apply |
| Exempt Information Ref: | Exemption provisions do not apply |
| Ward Councillor (s) Consulted (if applicable): | Ward Councillors have not been consulted. |
| Scrutiny Consultation Considered? | Scrutiny have not been consulted |
| Contact Officer(s): | Richard Luckman – Head of Human Resources richard_luckman@sandwell.gov.uk Louise Lawrence – HR Service Manager louise_Lawrence@sandwell.gov.uk Dean Middleton – HR Service Manager dean_middleton@sandwell.gov.uk David Briggs – Assistant HR Business Partner david_Briggs@sandwell.gov.uk |

DECISION RECOMMENDATIONS

That Cabinet:

1. agree the revisions required to the “Pensions Policy Statement”, required to enable the Council to introduce a Shared Cost Salary Sacrifice Additional Voluntary Contribution (AVC) Scheme, as set out in Appendix 2.

1 PURPOSE OF THE REPORT

- 1.1 To advise Cabinet that the introduction of a Shared Cost Salary Sacrifice AVC scheme needs to be reflected in the Councils Pensions Policy Statement, as per Regulation 17 of the Local Government Pension Scheme Regulations 2013.
- 1.2 To advise Cabinet that the remainder of the Pension Policy Statement has been reviewed, and remains fit for purpose, and that no further changes are required at this time.

2 IMPLICATIONS FOR SANDWELL’S VISION

- 2.1 Ambition 3 - Our workforce is skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.
- 2.2 Ambition 10 - Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Pensions Policy Statement details the way in which the Council manages its discretions under the Local Government Pension Scheme.
- 3.2 The new Shared Cost Salary Sacrifice Additional Voluntary Contribution (AVC) Scheme offers an additional advantage over the current scheme, in that the employee will pay lower National Insurance contributions. In addition, the Council will benefit from a reduction in employer National Insurance contributions.

3.3 There is now a requirement therefore, for Sandwell Council to amend and publish its Pensions Policy Statement to reflect these changes. This revised statement must be published in line with the introduction of the new AVC scheme.

4 THE CURRENT POSITION

4.1 The revisions required to the Sandwell Councils Pensions Policy Statement are detailed in appendix 1 of this report.

4.2 The proposed Pension Policy Statement, attached at appendix 2, confirms the revised document. The amendments are highlighted at point 6.

4.3 The revisions contained within this document will allow the Council to introduce the shared cost AVC scheme in line with the Local Government Pension Scheme Regulations 2013 and guidelines set out in the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

4.4 The Council is required to publish and keep under review its Pension Policy Statement and its associated discretions, in line with the regulations detailed in 4.3 above.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

5.1 The Council has consulted with its recognised Trade Unions on the proposals contained within this report.

5.2 This proposal was considered and agreed by the Joint Consultative Panel (JCP) on 26 June 2018 and shared with the school-based unions at a Joint Union Panel (JUP) held on 3 July 2018.

6 ALTERNATIVE OPTIONS

6.1 There are not any alternative courses of action available. The Council must comply with the regulations as detailed in 4.3 and 8.1 of this report.

7 STRATEGIC RESOURCE IMPLICATIONS

7.1 The application of the discretions within the Policy Statement to individual employees may have financial implications for the Council.

7.2 The Councils corporate risk management strategy has been complied with, to identify and assess the risks associated with this recommendation. Based on the information provided, it is the officers'

opinion that there are no significant risks associated with the decisions being sought that need to be reported.

- 7.3 The introduction of a Shared Cost Salary Sacrifice AVC scheme, will benefit the Council (the employer) and employees from a reduction in National Insurance Contributions.
- 7.4 Although the publicity and communication to employees will highlight the practicalities of shared cost SSAVC`s, the Council will not endorse the scheme or give any financial advice.
- 7.5 The introduction of a salary sacrifice option is voluntary and employees who wish to participate will need to 'opt in'.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Local Government Pension Scheme sets out a framework within which the Policy discretions operate. The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 require employers to publish and keep under review a Statement of Policy on certain discretions contained within the regulations.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An initial Equality Impact Assessment screening has been carried out on the implementation of a Shared Cost Salary Sacrifice Additional Voluntary Contribution Scheme. It has been agreed that at this time, a full EIA is not required.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 There are no specific data protection implications arising from the contents of this report.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no specific crime and disorder implications arising from the contents of this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 There are no sustainability issues arising from the contents of this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE).

13.1 There are no specific health and wellbeing implications arising from the contents of this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There are no specific impacts on any council managed land or property.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The introduction of a Salary Sacrifice, Shared Cost Additional Voluntary Contribution scheme will require amendments to be made to the Councils Pensions Policy Statement, as explained within this report and detailed in Appendix 1.

15.2 Otherwise the Pension Policy Statement remains fit for purpose and no further changes are required at this time.

16 BACKGROUND PAPERS

16.1 Exemption report in accordance with the Procurement and Contract Procedure Rules.

Darren Carter
Executive Director – Resources

Appendix 1

| Current Policy Statement (June 2018) | Revised Policy Statement |
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| Shared Cost Additional Voluntary Contributions (SCAVC) Sandwell Council does not propose to introduce a Shared Cost Additional Voluntary Contribution Scheme | Shared Cost Additional Voluntary Contributions (SCAVC) Sandwell Council will offer a HMRC approved Salary Sacrifice - Shared Cost Additional Voluntary Contribution scheme |