

# JOINT AUDIT AND GOVERNANCE COMMITTEE



Report of the Head of Corporate Services  
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To: Joint Audit and Governance Committee  
DATE: 5<sup>th</sup> July 2022

## AGENDA ITEM

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# Amended Pension Policy and Policy Statements

## Recommendation(s)

1. (a) That the committee agrees for both councils to adopt the amended pension policy and respective policy statements for each council.

## Purpose of Report

2. The Local Government Pension Scheme states the following:

“It is a statutory requirement to prepare, consult and publish your policy statement, which promotes open administration, helps build awareness of pension provisions and ensures correct pension benefit payments. All employers should:

- prepare and publish written policy statements under LGPS Regulations, Compensation Regulations and Injury Allowance Regulations
- send a copy to Oxfordshire Pension Fund

- set out and implement a review process”
- 3. The current policy was last updated in 2014 and then not reviewed again before the HR service was outsourced, so, through the submitted updates, we are ensuring we both comply with our statutory requirements and that the content of the related documentation is up-to-date and accurate.

## **Strategic Objectives**

- 4. To comply with the statutory requirements outlined by the Local Government Pension Scheme.

## **Background**

- 5. Marcia Slater, HR Operational Lead, became a committee member for the Oxfordshire Pension Fund in 2021. Using this expertise, she led the review of these policies.
- 6. Having obtained the latest templates and guidance (including the revised guidance for discretionary policies issued in 2021), Marcia updated all relevant documents and circulated to Simon Hewings, Head of Finance, and David Fairall, People and Culture Manager, for first review and feedback.
- 7. When this version was agreed, the documents were then forwarded to Adrianna Partridge, Deputy Chief Executive – Transformation and Operations, and Patrick Arran, Head of Legal and Democratic, for further review and comment, followed by consultation with Unison, in accordance with our internal HR policy approval procedure.
- 8. These documents have now been sent to SMT, who will review on 29 June 2022, and the Joint Audit and Governance Committee, who we are seeking final approval from on 5 July 2022.
- 9. In accordance with the LGPS procedure, we would then send these as final versions to the Oxfordshire Pension Fund and communicate to all council colleagues.

## **Climate and Ecological Impact Implications**

- 10. No direct impact.

## **Financial Implications**

- 11. Any council decision that has financial implications must be made with the knowledge of the councils’ overarching financial position. For South, the position reflected in the councils’ medium-term financial plan (MTFP) as reported to Full Council in February 2022 showed that it is due to receive £2.1 million less in revenue funding than it plans to spend in 2022/23. For Vale, a balanced budget was set in 2022/23 but there is expected to be a budget gap in future years.
- 12. The funding gap at both councils is predicted to increase to over £3 million by 2026/27. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain

unknown, this gap could increase further. Every financial decision made needs to be cognisant of the need to address the funding gap in future years.

13. These documents have been designed in collaboration with Simon Hewings, Head of Finance. Optional or discretionary elements, which would incur additional costs to the councils, have generally been excluded, meaning this policy adheres to statutory minimum requirements.

## **Legal Implications**

14. We have a statutory duty to update and publish these documents.

## **Risks**

15. As well as legal risks, failure to comply could mean a risk to the councils in the examples of individual health or employment situations, where termination of employment occurs and the person is of pensionable age.

## **Conclusion**

16. Within the constitution, duties of the Joint Audit and Governance Committee include:

“to agree human resources matters relating to the Local Government Pension Scheme. These include changes to the scheme requiring local decisions; responding to consultations for scheme amendments; applying discretionary termination payments to staff, in cases of early retirement on efficiency grounds; and amending or implementing new council policies on pensions (e.g. discretionary payments policy)”

17. Therefore, through this paper, we ask the committee to review and approve the amended policy and policy statements for each council.