



**General Purposes Committee**  
15 January 2025

**Report from the Corporate Director  
of Law and Governance**

**Lead Member – Deputy Leader &  
Cabinet Member for Finance &  
Resources  
(Councillor Mili Patel)**

## **Employer Pension Discretions Policy**

<b>Wards Affected:</b>	None
<b>Key or Non-Key Decision:</b>	Not applicable
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>List of Appendices:</b>	One
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Musrat Zaman, Director of HR & OD 020 8937 4081 <a href="mailto:Musrat.zaman@brent.gov.uk">Musrat.zaman@brent.gov.uk</a>

### **1.0 Executive Summary**

- 1.1. The purpose of this report is to present an updated Employer Pension Discretions Policy.

### **2.0 Recommendation(s)**

- 2.1 To note the pension discretions contained within the policy and, subject to approval, adopt them in line with Local Government Pension Scheme (LGPS) regulations.

### **3.0 Detail**

#### **3.1 Contribution to Borough Plan Priorities & Strategic Context**

- 3.1.1 An up-to-date Employer Discretions Policy ensures that the Council fulfils its statutory obligations under the Local Government Pension Scheme and the Employment Rights Act 1996. It creates a framework that helps the Council to manage its relationship with its employees and to control its budget. These aims are integral to the borough's plans and priorities.

## **3.2 Background**

- 3.2.1 The regulations governing the pension arrangements allow greater Scheme flexibility for both employers and members, and in particular give employers greater scope for local decision making.
- 3.2.2 Each Scheme employer must formulate and keep under review their policy concerning the exercise of their functions in awarding additional pension to members and in operating early retirement and flexible retirement provisions including those related to redundancy and compensatory payments.
- 3.2.3 In addition to these mandatory policy decisions there are many other areas where discretionary policy decisions can be made by employers.
- 3.2.4 The Scheme rules allow for a revised statement to be issued as necessary and the revised policy can be found in **Appendix 1**. The refreshed policy provides far greater detail on the discretions we propose to exercise.
- 3.2.5 Although there are many employer discretions, employers are only required to publish a policy on how they will exercise four discretions under regulation 60. This is the bare minimum, and it is advisable to publish a policy that illustrates the Council's approach to a range of key topics without being exhaustive. Brent's policy tries to strike a balance by choosing 20 select discretions that illustrate the Council's philosophy on key areas, without creating an interminable list of overlapping discretions.
- 3.2.6 A good discretions policy helps employers to manage their employees' expectations and facilitate better employee relations. Many discretions carry a capital cost to the employer and a carefully considered discretions policy will help it to manage those costs.
- 3.2.7 No alternatives were considered as it is a requirement of the Pension Regulations to keep this policy under review.

## **4.0 Stakeholder and ward member consultation and engagement**

- 4.1 Not applicable

## **5.0 Financial Considerations**

- 5.1 In general it is proposed that application of discretions including where discretions are applied to individual cases will be considered in exceptional circumstances. Where a discretion is applied there may be a financial cost attached however given the nature of discretions it is not possible to estimate the cost as it will vary on a case by case basis. The Council should be aware that use of employer discretions can attract a financial cost and advice can be sought from Pension Fund officers if necessary.

## **6.0 Legal Considerations**

- 6.1 There are no specific legal implications in this report. Regulation 60 of the Local Government Pension Scheme Regulations 2013 (the Regulations) require the Council to prepare and publish a written statement of its policy in relation to various discretions available to it under the pension scheme and to publish that statement. The statement must thereafter be kept under review.
- 6.2 The Regulations require that in preparing or making revisions to its pension policy statements, the scheme employer must have regard to the extent to which the exercise of any of its policies could lead to a serious loss of confidence in the public service (Regulation 60(5)).

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 The public sector equality duty set out in Section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2 The EDI impact would be minimal as discretionary decisions will be made on a case-by-case basis. Decisions will take into consideration any protected characteristics of the individual.

## **8.0 Climate Change and Environmental Considerations**

- 8.1 There are no climate change and environmental considerations.

## **9.0 Human Resources/Property Considerations**

- 9.1 These are contained within the body of the report and appendix.
- 9.2 There are no property considerations.

## **10.0 Communication Considerations**

- 10.1 There are no communication considerations save for those contained in the regulations for communicating a change in this policy

**Report sign off:**

**Debra Norman**  
Corporate Director of Law and Governance