



Supplemental Agenda

Pensions Committee

Date:	Tuesday, 11 January 2011
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

10. GOVERNANCE AND RISK WORKING PARTY (Pages 1 - 2)
- 12 LOCAL GOVERNMENT(DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES) REGULATIONS 2011
15. STAFFING STRUCTURE (Pages 11 - 14)

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WIRRAL COUNCIL

PENSIONS COMMITTEE

11 JANUARY 2011

REPORT OF THE DIRECTOR OF FINANCE

GOVERNANCE & RISK WORKING PARTY

1. EXECUTIVE SUMMARY

- 1.1 This paper informs Members that the first Governance and Risk Working Party will be convened on 26 January 2011. A provisional agenda is provided.

2. BACKGROUND

- 2.1 At the Pensions Committee on 28 June 2010, Members agreed to establish a Governance and Risk Working Party to provide a forum for more detailed discussion of administrative matters around governance and risk than is normally possible at Pensions Committee. MPF has a number of relevant policies and procedures which are laid down in documents such as:

- Fund Governance
- Fund Policies
- Fund Guidelines
- Risk Register
- Responsible Investment

- 2.2 The Working Party will enable Members to receive reports and advice from officers and independent sources, as required.

- 2.3 It will also make recommendations to Committee on changes and improvements to arrangements.

- 2.4 The Working Party will convene once or twice a year, as required.

3. AGENDA

- 3.1 The agenda items proposed for the first meeting are:

- Employer liability reviews
- Divisional plan
- Audit Commission report
- Risk register
- Knowledge & Skills Framework
- CIPFA benchmarking report
- IDRPs

- 3.2 Detailed papers will be circulated prior to the meeting.

4. FINANCIAL AND STAFFING IMPLICATIONS

4.1 There are no financial or staffing implications arising from this report.

4. EQUAL OPPORTUNITY IMPLICATIONS/HEALTH IMPACT ASSESSMENT

4.1. There are none arising from this report.

5. COMMUNITY SAFETY IMPLICATIONS

5.1. There are none arising from this report.

6. LOCAL MEMBER SUPPORT IMPLICATIONS

6.1. This report has no particular implications for any Members or wards.

7. LOCAL AGENDA 21 IMPLICATIONS

7.1. There are none arising from this report.

8. PLANNING IMPLICATIONS

8.1. There are none arising from this report.

9. BACKGROUND PAPERS

9.1 Pensions Committee report "Establishment of Governance and Risk Working Party", June 2010.

10. RECOMMENDATION

10.1 That Members attend the Governance and Risk Working Party on 26 January 2011.

IAN COLEMAN
DIRECTOR OF FINANCE

WIRRAL COUNCIL

PENSIONS COMMITTEE

11 JANUARY 2011

REPORT OF THE DIRECTOR OF FINANCE

LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES) REGULATIONS 2011

1. EXECUTIVE SUMMARY

- 1.1. This report informs Members of draft regulations issued on 22 December 2010 by the Department for Communities and Local Government (DCLG) for statutory consultation.
- 1.2 Members are requested to agree that a technical response be submitted on behalf of the Pension Fund.

2. BACKGROUND

- 2.1 The new Statutory Instrument, The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, will revoke the surviving provisions of the Local Government (Discretionary Payments) Regulations 1996 covering employer funded awards in respect of:

(Part V) Injury Allowances;
(Part VI) Gratuities; and
(Part VII) Miscellaneous and Supplementary (Covering appeals)

The Statutory Instrument will provide revised Regulations allowing Local Authorities to deal with injury allowances and appeals at local level (Appendix 1 attached).

- 2.2 The purpose of the consultation is to ensure that the now outdated provisions from 1996 are replaced with provisions which reflect, among other things:
 - a. the use to date made of these powers by employers,
 - b. external influences such as tax changes;
 - c. changes driven by equalities legislation; and
 - d. to align the appeals process with the internal dispute resolution procedure (IDRP) at local level by removing the role of the Secretary of State in deciding appeal cases.
- 2.3 The draft regulations have been circulated by MPF to all current employers.

2.4 The closing date for submission of comments to DCLG on the consultation is 31 March 2011.

3. **MAIN POINTS IN THE DRAFT REGULATIONS**

3.1 The new draft regulations contain the following amendments and changes:-

- a. revoke the Gratuities Part from the old Regulations as it is time-expired and no longer required;
- b. update legal references to various Acts;
- c. insert references to “nominated co-habiting partners” for equality reasons and to put the regulations beyond legal challenge;
- d. introduce a new provision to ensure that National Insurance Contributions (NIC) are deducted from injury allowances to make it consistent with the other public sector injury benefit schemes;
- e. remove the role of the Secretary of State in deciding appeal cases, so that the role is entirely “localised”.

(This would be consistent with the practice for dealing with medical and non-medical appeals where the Secretary of State was removed from the Local Government Pension Scheme on 1 June 2004).

- f. introduce a new provision whereby an Independent Registered Medical Practitioner (IRMP) would be required to certify a local government employee’s injury/disease before an allowance could be awarded;

The 1996 injury allowance provisions apply to admission bodies (i.e. employees whose access to the LGPS is by an admission agreement). DCLG is proposing that the new Regulations will not apply to admission bodies.

3.2. In responding to the consultation, MPF is asked to advise whether admission bodies routinely exercise their powers to award injury allowances under the provisions of the 1996 Regulations, and if so what transitional protections are needed to manage the transition between the old and the new Regulations; and

Views are sought on the “transitional provisions” i.e. to move to a local IDR process within 3 months following the “coming into force” of the new regulations (1 October 2011).

4. **FINANCIAL IMPLICATIONS**

4.1 The responsibility for the cost of awarding gratuities and injury allowances rests with the relevant employer and has no financial implications for the Pension Fund.

5. STAFFING IMPLICATIONS

5.1. There are none directly arising from this report.

6. EQUAL OPPORTUNITY /EQUALITY IMPACT ASSESSMENT

6.1. There are none arising from this report.

7. COMMUNITY SAFETY IMPLICATIONS

7.1. There are none arising from this report.

8. HUMAN RIGHTS IMPLICATIONS

8.1. There are none arising from this report.

9. LOCAL AGENDA 21 IMPLICATIONS

9.1. There are none arising from this report.

10. PLANNING IMPLICATIONS

10.1. There are none arising from this report.

11. MEMBER SUPPORT IMPLICATIONS

11.1. There are none arising from this report.

12. BACKGROUND PAPERS

12.1. DCLG letter dated 22 December 2010 and draft statutory instrument were used in preparing the report.

13. RECOMMENDATION

13.1 That Members agree that a technical response on behalf of the Pension Fund be submitted.

IAN COLEMAN
DIRECTOR OF FINANCE

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To: Addressees below

22 December 2010

Dear Colleague

DRAFT – THE LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES) REGULATIONS 2011

Introduction

1. With the Minister's agreement, I attach draft regulations to commence a period of statutory consultation which will revoke the extant provisions of the Local Government (Discretionary Payments) Regulations 1996 covering:-
(Part V) Injury Allowances;
(Part VI) Gratuities; and
(Part VII) Miscellaneous and Supplementary (covering appeals).

The new Statutory Instrument, The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, will provide revised regulations allowing local authorities to deal with injury allowances and appeals at local level.

2. The purpose of this consultation is to ensure that the now outdated provisions from 1996 are replaced with provisions which reflect, among other things, the use to date of these powers, external influences such as tax changes, changes driven by equalities legislation and a policy intention to align the appeals process with the internal dispute resolution procedure at local level.

Timing

3. Your comments on the draft Regulations are invited **no later than Thursday, 31 March 2011**. Local Government business partners who wish to discuss the draft Regulations are invited to get in touch without delay, to allow discussion to take place within the consultation period.

Background

4. In the light of action now being taken recently by other Government Departments to review their respective injury benefit (IB) schemes – namely, the Home Office (in respect of Police Officers), Department of Health (in respect of NHS employees) and the Department for Education (in respect of teachers), primarily to restrict and tighten the level of injury allowance provided, it is now felt necessary to revise and update provisions which impact on local authorities.

5. These new draft Regulations do not go as far as steps taken within other parts of the public sector IB schemes, but are intended to provide a framework relative to the particularity of local government employment and taking the opportunity to meet the need to update some legal references.

Main points to note in the new draft Statutory Instrument (SI)

6. The new draft SI entitled: The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 contain the following amendments and changes:-

- revokes the Gratuities Part from the old Regulations as it is time-expired and no longer required;
- updates some legal references to various Acts;
- inserts references to “nominated co-habiting partners” for equality reasons and to put the regulations beyond legal challenge;
- introduces a new provision to ensure that National Insurance Contributions (NICs) are deducted from injury allowances to make it consistent with the other public sector injury benefit schemes;
- to remove the role of the Secretary of State in deciding appeal cases, so that the role is entirely “localised”. This would be consistent with the practice for dealing with medical and non-medical appeals where the Secretary of State was removed from the Local Government Pension Scheme on 1 June 2004.
- to introduce a new provision whereby an Independent Registered Medical Practitioner (IRMP) would be required to certify a local government employee’s injury/disease before an allowance could be awarded;
- the 1996 injury allowance provisions apply to admission bodies (ie employees whose access to the LGPS is by an admission agreement). We are proposing that the new Regulations will not apply to admission bodies. In responding to the consultation, please advise whether admission bodies routinely exercise their powers to award injury allowances under the provisions of the 1996 Regulations, and if so what transitional protections are needed to manage the transition between the old and the new Regulations; and
- your views are sought on the “transitional provisions” ie to move to a local IDR process within 3 months following the “coming into force” date of the new regulations. The provisions reflect the approach taken in The Local Government Pension Scheme (Amendment) Regulations 2004 which “localised” medical and non-medical IDR appeal cases in 2004.

APPENDIX 1

7. Finally, your comments on the **attached** draft Regulations should be sent **no later than Thursday, 31 March 2011** to: **Sandra Layne, Workforce, Pay and Pensions Division, Zone 5/G6 – Eland House, Bressenden Place, London SW1E 6DE**. Electronic responses should also be sent to **Sandra Layne – email: Sandra.layne@communities.gsi.gov.uk** .

Yours sincerely

BRIAN TOWN
HEAD OF WORKFORCE, PAY AND PENSIONS BRANCH 2

APPENDIX 1

The consultation is addressed to:

The Chief Executive of:

County Councils (England)
District Councils (England)
Metropolitan Borough Councils (England)
Unitary Councils (England)
County and County Borough Councils in Wales
London Borough Councils
South Yorkshire Pension Authority
Tameside Metropolitan Borough Council
Wirral Metropolitan Borough Council
Bradford Metropolitan City Council
South Tyneside Metropolitan Borough Council
Wolverhampton Metropolitan Borough Council
London Pension Fund Authority
Environment Agency

Town Clerk, City of London Corporation
Clerk, South Yorkshire PTA
Clerk, West Midlands PTA

Fire and Rescue Authorities in England and Wales
Police Authorities in England and Wales
Audit Commission
National Probation Service for England and Wales

Local Government Association (LGA)
Employers' Organisation
LGPC

ALACE
PPMA
SOLACE
CIPFA
ALAMA

Association of Colleges
Association of Consulting Actuaries
Association of District Treasurers
Society of County Treasurers
Society of Welsh Treasurers
Society of Metropolitan Treasurers
Society of London Treasurers
Association of Educational Psychologists

NALC
Society of Local Council Clerks

Trades Union Congress	UCATT
UNISON	GMB
NAEIAAC	NAPO
AMICUS	TGWU
MOCOP Members	Equal Opportunities Commission

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

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