

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO PERSONNEL COMMITTEE

Agenda Item No.

meeting date: 10 NOVEMBER 2010  
title: PENSIONS INITIATIVES  
submitted by: PERSONNEL OFFICER  
principal author: LIZ RAWSON

## 1 PURPOSE

1.1 To inform Members of recent pensions initiatives undertaken by Ribble Valley Borough Council.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions – staff are the Council's biggest resource. Their reward package including the pension scheme is a significant recruitment and retention tool, and it is therefore important that staff are well informed about the pension scheme and how to maximise their income in retirement. Well informed staff who recognise the benefits of the final salary pension scheme are likely to be more motivated to deliver a good service and this directly impacts on service delivery.
- Community Objectives – see above.
- Corporate Priorities – see above.
- Other Considerations – none.

## 2 BACKGROUND

2.1 Ribble Valley Borough Council enjoys a very positive working relationship with Lancashire County Council's pensions services team. We have worked closely with them particularly over the last 8 years to improve the dialogue between ourselves and to promote the pension scheme to our employees.

2.2 These initiatives include the following:

- Annual pension surgeries – November/December
- Annual pension visits – June/July
- AVC presentations
- Planning ahead for your retirement sessions
- Reminders in Backchat (monthly staff newsletter) about various aspects of the pension scheme

2.3 The most recent initiative has been a refresher training session organised for all of the members of the personnel section. This training was undertaken by our main contact within the pensions service, Julie Wigg. Julie's role as a communications officer is to promote the pension scheme. During the training session which was held on 12 October 2010 and which Liz Rawson (Personnel Officer), Julie Smith (Personnel Officer), Adele Pritchard (Personnel Administrator) and Lucy Fox

(Modern Apprentice) attended, Julie reminded us of the differences between the 'old scheme' and 'new scheme' which became effective from 1 April 2008.

- 2.4 All those attending were provided with a full copy of the slides used including examples of how final pay is calculated and flow charts to assist when dealing with specific issues such as early retirement on the grounds of ill health, requests for flexible retirement etc. The session was intended to be a refresher on the Local Government Pension Scheme basics but new information was also picked up during informal discussions. A copy of the slides outlining the scheme basics is attached at Appendix 1 for Members' information.

### 3 ISSUES

- 3.1 There were 231 members of staff in the pension scheme as at 30 September 2010. This is of a possible 254 eligible members of staff. However, we are always striving to ensure that all new starters and existing staff carefully consider the implications of pension provision for their retirement.
- 3.2 To this end, all new starters receive information about the pension as part of their starter pack. This is also followed up as part of their induction, during which they receive further information about the benefits of joining the pension scheme.
- 3.3 It is a recognised fact that pensions is a subject which people are not keen to discuss or consider, some finding the subject far too complicated; others feeling that retirement is too far away to be relevant to them.
- 3.4 Part of our role and responsibility is to educate members of staff about the benefits of joining the scheme and we have taken a very proactive approach to this. Julie Wigg commended us as one of the most proactive authorities in publicising information regarding the benefits and also arranging training/information sessions which offer help to staff to plan for their retirement. We are also conscious that we have an ageing staff profile and pensions is a subject which is extremely relevant.

### 4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
- Resources – the cost of the Local Government Pension Scheme (LGPS) is significant for the authority – a percentage contribution is made by the employer for all the staff in the scheme. Poor management of the scheme can lead to increased employer contributions ie if staff are allowed early access to retirement benefits without following proper procedures with regard to ill health and voluntary early retirement. Any early retirements usually involve a cost to the employer.
  - Technical, Environmental and Legal – staff have a right to join the scheme if they meet certain criteria. However, as an employer, we also have a moral obligation to make staff aware of the scheme and the benefits associated with the scheme.
  - Political – there are no political implications.

- Reputation – there is the potential for negative publicity arising out of any error in administering the scheme or in the processing of requests for early access to pension benefits.

## 5 RECOMMENDED THAT COMMITTEE

### 5.1 Note the report.

## PERSONNEL OFFICER

## BACKGROUND PAPERS

### 1 Local Government Pension Scheme Basics (slides from Powerpoint presentation).

For further information please ask for Liz Rawson, extension 4409.