Banbury Town Council

Mark Hassall **ACMA, MA**
Town Clerk & RFO

The Town Hall
Bridge Street
Banbury
OX16 5QB

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Our Ref: A26032024
Your Ref:
Please ask for: Martyn Surfleet
Email: martyn.surfleet@banbury.gov.uk

Date: 20 March 2024

To: All Members of the Resources Committee.

You are hereby summoned to attend a Meeting of the **RESOURCES COMMITTEE** to be held in the TOWN HALL, BRIDGE STREET, BANBURY on **TUESDAY, 26 March 2024 at 6.30pm**, for the transaction of the following business.

Mark Hassall
Town Clerk & RFO

BUSINESS TO BE TRANSACTED

1. **Apologies for absence**
   Contact Martyn Surfleet (01295 250340).

2. **Declarations of Interest**
   Members are asked to declare any interests in items on the agenda, **and the nature of that interest**, in accordance with the Local Government Act 2000, the Banbury Town Council Code of Conduct and Section 106 of the Local Government Finance Act 1992 (Please refer to the notes at the end of Agenda).

3. **Minutes of Last Meeting**
   To approve as correct the Minutes of the Meeting held on 30 January 2024 (Enclosed).

4. **Income & Expenditure Monitoring Report**
   To consider the report of the Town Clerk & RFO. **(Enclosure 4)**

5. **Internal Audit Interim Report**
   To consider the report of the Town Clerk & RFO **(Enclosure 5)**

6. **Local Government Pension Scheme Regulations**
   To consider a report of the Town Clerk & RFO regarding Banbury Town Councils discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations. **(Enclosure 6)**

7. Confidential Business Exclusion

That, in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, the public and press be excluded from the meeting during the consideration of the item set out below on the grounds that publicity would be prejudicial to the general interest by reason of the confidential nature of the business to be transacted.

8. Town Hall Lease Agreement

Notes on declaration of interest

(i) Any Member arriving after the start of the meeting is asked to declare any disclosable pecuniary interests as necessary as soon as practicable after their arrival even if the item in question has been considered;

(ii) In such circumstances, the Member must withdraw from the meeting room, and should inform the Chairman accordingly.

It is not practical to offer detailed advice during the meeting.

Recording of Meeting

(iii) Please be aware that an audio recording of the meeting may be made, as an aide-memoire for the purposes of the Clerk to ensure minutes reflect the overall tone and content of meetings, and will be deleted following the first approval of minutes.

RESOURCES COMMITTEE

Minutes of a meeting of the Resources Committee held at 6.30pm on Tuesday, 30 January 2024 in the Town Hall, Banbury.

Present: Councillor Mallon (Chairman)
Councillors: Ayers, Biegel, Hussain, Kilsby, Phillips and Strangwood.

Alternate Members: None

Officers: Mark Hassall (Town Clerk & RFO)
Paul Almond (Director of Environment)
Martyn Surfleet (Executive Officer)
Chris Green (Events Manager)

R.40/23 Apologies for Absence
None

R.41/23 Declarations of Interest
None

R.42/23 Minutes of the last Meeting
IT WAS RESOLVED that the Minutes of the Meeting held on 02 January 2024 be approved as a correct record and signed by the Chairman.

R.43/23 Income & Expenditure Report
The Committee considered a report prepared by the Town Clerk & RFO comparing year-to-date income and expenditure with the projected annual budget for the financial year. The report showed all expenditure incurred up to 09 January 2024.

Officers responded to a range of questions from Members relating to various budget codes and financial procedures. Members' attention was drawn to the fact that overall the Committee's expenditure was within forecast versus the phased YTD budget.

General Services variances are principally

- Staffing remain within projected costs, at 75% YTD, recruitment of a cleaner remains underway.
- Planned cemetery works include roof repairs at Southam Road depot and tree works on poplars at Southam and driveway footpath repairs.
- Timing of invoicing for grounds maintenance works impacted by timing of December invoicing across Parks, seasonality of football pitch works and Horton View. Timing of Ezee Trees software install into Q4 £10k. Preparation works and seeding on the wildflower meadow in Spiceball has started £10k. Electric Vehicle charging at Southam Road timing for Q4 £8k. CCTV install has been completed.
- Contract has been completed for a two-year lease of cricket pitch facilities at Hanwell Fields, and machinery has been ordered.
- Timing of capital works at PDP aerial runway and Easington link path moved to Q4, with Hillview play area refurb, walled garden and municipal compost bay works earmarked for 2024 delivery.

Underspends on Resources Committee also principally

- Corporate, Central Administration and Civic continue to be well controlled, with cost under budget.
- Town Council Events are anticipated to finish broadly within acceptable budget tolerance.
- Other services to the Public include timing of small grants (including a Warm Welcome grant scheme), and invoicing of Christmas Lighting scheme. Woodgreen Open Air Pool operating subsidy has been provided for, subject to a review meeting between CDC officers and the Woodgreen Pool Working Party. The required operating information has been requested of Cherwell District Council.
- Other Costs & Income includes increased interest income in line with changes to Bank of England base rate.

Financial Effects & Risk Assessment

This is a monitoring report so there are no specific financial effects arising from it. Without effective budget monitoring there is a risk that budgets will not be adhered to, thereby weakening the Council's ability to demonstrate an effective use of resources. This risk is being mitigated by closer monitoring of spend using a phased budget.

IT WAS RESOLVED to receive and note the Income and Expenditure report.

R.44/23 Events Update

Members were invited to receive a verbal update from the Events Manager.

Several questions were asked of the Events Manager regarding details of several events and the proposed dates of the Michaelmas Fair.

It was RESOLVED to receive and note the Events Update.

R.45/23 Woodgreen Open Air Pool Update Report

Members were invited to review the report of the Town Clerk & RFO.

Members were updated on the running costs as well as Banbury Town Councils contributions to the running costs of the facilities at Woodgreen Leisure Centre.

IT WAS RECOMMENDED that officers convene an in-person meeting of the Woodgreen Pool Working Party with officers from Cherwell District Council to enable members and officers to further review the operations of the Woodgreen Open Air Pool.

It was RESOLVED to receive and note the Woodgreen Open Air Pool Update Report

R.46/23 Health & Safety Policy Statement

The Council considered the overarching Environmental, Health and Safety Policy Statement, which was reviewed annually.

It was **RESOLVED** that the Environmental Health & Safety Policy Statement (Appendix A to these Minutes) be approved and the Town Clerk be authorised to sign the statement.

The meeting ended at 7.19pm

Banbury Town Council

ENVIRONMENTAL, HEALTH AND SAFETY POLICY STATEMENT

The management of Banbury Town Council operates an integrated environmental, health and safety management system, which is geared towards the identification and control of key processes in our organisation. It is also our intention to encompass environmental, health and safety best practice into our business activities and decisions and to:

- bring this Policy Statement to the attention of all stakeholders
- carry out regular audits of our environmental, health and safety management systems
- comply with legislation, guidance and approved codes of practice issued at International, National and Local levels
- eliminate risks to the environment, health and safety, where possible, through selection and design of materials, buildings, facilities, equipment and processes
- ensure that emergency procedures are in place at all locations for dealing with foreseeable environmental, health and safety incidents
- establish meaningful, measurable targets and goals for environmental, health and safety performance
- maintain an open and constructive dialogue on environmental, health and safety issues with our employees, contractors, suppliers, customers and regulatory authorities
- maintain our premises, provide and maintain safe plant and equipment
- minimise waste and increase recycling within the framework of our waste management procedures
- only engage contractors who are able to demonstrate due regard to environmental, health and safety law
- prevent pollution to land, air and water
- promote environmentally responsible purchasing
- provide adequate resources to control the environmental, health and safety risks arising from our work activities
- raise awareness, encourage participation and train employees in environmental, health and safety matters
- reduce the use of water, energy and any other natural resources
- seek opportunities to continuously improve our ability to identify measure and control the environmental, health and safety impacts of our activities
- where risks cannot be eliminated they will be minimised by substitution, use of physical controls or, as a last resort, through safe systems of work

This Policy will be reviewed at least annually and revised as necessary to reflect changes to the business activities and any changes to legislation. Any changes to the Policy will be brought to the attention of all stakeholders.

Signed: [signature] **Dated:** 30/1/24

Position: Town Clerk

GENERAL SERVICES COMMITTEE
19 MARCH 2024

RESOURCES COMMITTEE
26 MARCH 2024

REPORT OF THE TOWN CLERK & RFO

INCOME & EXPENDITURE TO 12 MARCH 2024

1 Introduction and Purpose of Report

1.1 To inform Members of income and expenditure compared with Year to Date (YTD) Budget for the financial year.

2 Wards Affected

2.1 All Wards.

3 Effect on Policy

3.1 Nil.

4 Contact Officer

4.1 Mark Hassall (01295 817313)

5 Background

5.1 The Council's Financial Regulations require that the Resources Committee be provided with a statement of income and expenditure to date under each head of the approved year-to-date annual revenue and capital budgets. As the main spending Committee, it is considered appropriate for this information to also be presented to the General Services Committee.

5.2 The Council's Accounting (RBS Omega) System provides reports that show Projected Full Year Budget and Actual YTD, for Income and Expenditure and any variance.

5.3 Attached is a report outlining summary income and expenditure against each cost centre.

6 Present Position

6.1 The attached report shows all expenditure incurred up to 12 March 2024. Overall the Committees expenditure is within forecast versus the projected budget. The main causes are addressed as follows:

6.2 General Services variances are principally

- Staffing remain within projected costs, recruitment of a cleaner is underway.

- Planned cemetery works include roof repairs at Southam Road depot and tree works on poplars at Southam and driveway footpath repairs.
- Timing of invoicing for grounds maintenance works impacted by timing of February invoicing across Parks, seasonality of football pitch works and Horton View. Timing of EzeeTrees software install into Q4 £10k. Electric lighting across parks (OCC £7k) and vehicle charging facilities at Southam Road timed for March (£10k).
- Play area equipment underspends are proposed to be earmarked for ongoing investment. Tree works orders have been placed and are currently being undertaken, balancing available resources with recommendations from scheduled independent arboriculture inspections over an ongoing three-year timeframe.
- Contract has been completed for a two-year lease of cricket pitch facilities at Hanwell Fields, and investment in machinery purchase will now be undertaken, and funds earmarked for release upon receipt of equipment.
- Timing of capital works at Easington link path moved to Q4, with Hillview play area refurb, walled garden and municipal compost bay works earmarked for 2024 delivery.

6.3 Underspends on Resources Committee also principally

- Corporate, Central Administration and Civic continue to be well controlled, with cost under budget.
- Town Council Events are currently within budget parameters.
- Town Hall – includes prepayment of wedding license (£3k), however overspend is principally driven by building maintenance costs.
- Other services to the Public include timing of small grants (including a Warm Welcome grant scheme), and invoicing of Christmas Lighting scheme. Woodgreen Open Air Pool operating subsidy has been provided for, subject to a review meeting between CDC officers and the Woodgreen Pool Working Party in the new year.
- Other Costs & Income are anticipated to end the year in line with projected budget.

7 Financial Effects & Risk Assessment

7.1 This is a monitoring report so there are no specific financial effects arising from it. Without effective budget monitoring there is a risk that budgets will not be adhered to, thereby weakening the Council's ability to demonstrate an effective use of resources. This risk is being mitigated by closer monitoring of spend using a phased budget.

8 Recommendations

8.1 The Council is invited to receive and note the Income & Expenditure report.

8.2 Earmark of the following funds

- Play area equipment (up to £100k)
- Cricket pitch machinery purchase (£24k)
- Easington Link Path (£35k)
- Peoples Park – fencing and café canopy (£20k)
- Retain earmarked reserves for HillView Play area refurbishment (£110k)
- Retain earmarked reserves for Walled Garden refurbishment (£100k)
- Retain earmarked reserves for Municipal compost bay creation – Spittal Farm (£60k)
- Retain earmarked reserves for St Marys Churchyard refurbishment (£65k)
- Specify earmark reserve for refurbishment of Playzones at Chandos and PDP (£100k)

Background Papers: Nil

Detailed Income & Expenditure by Projected Budget Heading 12/03/2024

Month No: 12 **Committee Report**

General Services Committee

		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
101	Litter Control & Cleansing						
4107	Equipment General	0	4,600	4,600		4,600	0.0%
4109	Cleansing Contract	0	160,236	160,236		160,236	0.0%
	Litter Control & Cleansing :- Indirect Expenditure	**0**	**164,836**	**164,836**	**0**	**164,836**	**0.0%**
	Net Expenditure	**0**	**(164,836)**	**(164,836)**			
103	Southam Road Cemetery						
1000	Miscellaneous Income	1,825	3,125	1,300			58.4%
1004	Burial Chambers	3,900	3,250	(650)			120.0%
1005	Burial Fees	38,315	36,000	(2,315)			106.4%
1007	Memorial Applications	15,585	12,500	(3,085)			124.7%
1008	Exclusive Rights of Burial	9,450	10,010	560			94.4%
1009	Out of Hours Burial Fees	475	135	(340)			351.9%
1010	Land Rents	200	0	(200)			0.0%
1022	Premises Hire	4,000	3,460	(540)			115.6%
	Southam Road Cemetery :- Income	**73,750**	**68,480**	**(5,270)**			**107.7%**
4000	Salaries	196,600	212,133	15,533		15,533	92.7%
4006	Training	4,551	5,000	449		449	91.0%
4010	N N D Rates	6,737	6,737	1		1	100.0%
4011	Water Charges	211	917	706		706	23.0%
4012	Sewerage Charges	0	500	500		500	0.0%
4013	Electricity	544	728	184		184	74.7%
4014	Gas	127	603	476		476	21.0%
4019	Cleaning Materials	54	600	546		546	9.0%
4020	Telephone	711	755	44		44	94.2%
4023	Stationery/Office Supplies	0	200	200		200	0.0%
4025	Insurance	6,175	6,175	0		0	100.0%
4026	Subscriptions	365	400	35		35	91.3%
4070	Computer Software	2,260	2,260	(0)		(0)	100.0%
4071	Purchase Equipment	2,270	3,000	730		730	75.7%
4072	Leasing Equipment	224	2,500	2,276		2,276	8.9%
4100	Purchase Materials	3,793	3,900	107		107	97.3%
4120	Building M & R (Other Contract	7,336	16,700	9,364		9,364	43.9%
4122	Landscaping (Other Contractors	5,222	18,000	12,778		12,778	29.0%
4123	Minor Alterations & Imp.	5,570	9,300	3,731		3,731	59.9%
4132	Purchase Protective Clothing	1,874	2,501	628		628	74.9%
4137	Burial Chamber costs	3,780	3,780	0		0	100.0%

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		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4502	R & M Plant & Equipment	9,638	6,551	(3,087)		(3,087)	147.1%
4571	Service Charges	500	2,200	1,700		1,700	22.7%
4572	Fuel	2,734	3,000	266		266	91.1%
	Southam Road Cemetery :- Indirect Expenditure	**261,273**	**308,440**	**47,167**	**0**	**47,167**	**84.7%**
	Net Income over Expenditure	**(187,523)**	**(239,960)**	**(52,437)**			
110	Parks and Open Spaces						
1000	Miscellaneous Income	6,842	5,342	(1,500)			128.1%
1010	Land Rents	6,336	5,951	(385)			106.5%
1500	Contribution from Reserves	0	115,400	115,400			0.0%
	Parks and Open Spaces :- Income	**13,178**	**126,693**	**113,515**			**10.4%**
4000	Salaries	194,341	216,680	22,339		22,339	89.7%
4006	Training	1,068	4,150	3,082		3,082	25.7%
4008	Car Allowances-Employee	0	1,500	1,500		1,500	0.0%
4010	N N D Rates	144	144	(0)		(0)	100.1%
4011	Water Charges	1,282	2,212	930		930	58.0%
4013	Electricity	232	7,600	7,368		7,368	3.1%
4019	Cleaning Materials	936	0	(936)		(936)	0.0%
4020	Telephone	1,130	1,125	(5)		(5)	100.5%
4023	Stationery/Office Supplies	0	238	238		238	0.0%
4025	Insurance	16,239	16,239	(0)		(0)	100.0%
4026	Subscriptions	0	746	746		746	0.0%
4032	Advertising/Publicity	0	365	365		365	0.0%
4058	Professional Fees	65	0	(65)		(65)	0.0%
4070	Computer Software	10,333	20,955	10,622		10,622	49.3%
4100	Purchase Materials	2,068	8,999	6,931		6,931	23.0%
4107	Equipment General	8,977	8,400	(577)		(577)	106.9%
4120	Building M & R (Other Contract	4,360	2,860	(1,500)		(1,500)	152.5%
4121	Ground Mtnce (Other Contractor	189,269	194,763	5,494		5,494	97.2%
4122	Landscaping (Other Contractors	17,177	33,055	15,878		15,878	52.0%
4124	Building M & R Peoples Park	8,320	5,996	(2,324)		(2,324)	138.8%
4132	Purchase Protective Clothing	364	1,300	936		936	28.0%
4500	Arboriculture	21,821	51,500	29,679		29,679	42.4%
4501	Playground Equipment R & M	107,298	154,946	47,648		47,648	69.2%
4502	R & M Plant & Equipment	3,133	2,407	(726)		(726)	130.1%
4503	Purchase of Signs	0	1,000	1,000		1,000	0.0%
4510	Floral Bedding	14,532	14,878	346		346	97.7%
4511	Trees and Shrubs	10,995	15,302	4,307		4,307	71.9%
4512	Bulbs	4,433	4,433	(0)		(0)	100.0%

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		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4514	Chemical Applications	6,477	6,457	(20)		(20)	100.3%
4515	Aviary Maintenance	2,315	2,464	149		149	94.0%
4571	Service Charges	275	2,000	1,725		1,725	13.8%
4572	Fuel	1,577	1,821	244		244	86.6%
	Parks and Open Spaces :- Indirect Expenditure	**629,162**	**784,535**	**155,373**	**0**	**155,373**	**80.2%**
	Net Income over Expenditure	**(615,984)**	**(657,842)**	**(41,858)**			
113	Allotments						
1010	Land Rents	6,284	4,285	(1,999)			146.6%
	Allotments :- Income	**6,284**	**4,285**	**(1,999)**			**146.6%**
4011	Water Charges	327	474	147		147	69.0%
4070	Computer Software	213	363	151		151	58.5%
4100	Purchase Materials	245	290	46		46	84.3%
4120	Building M & R (Other Contract	1,385	2,225	841		841	62.2%
4121	Ground Mtnce (Other Contractor	2,987	2,880	(107)		(107)	103.7%
4520	Private Contractors	1,774	2,500	727		727	70.9%
	Allotments :- Indirect Expenditure	**6,929**	**8,732**	**1,803**	**0**	**1,803**	**79.4%**
	Net Income over Expenditure	**(646)**	**(4,447)**	**(3,801)**			
114	Park Rangers						
4000	Salaries	121,962	130,709	8,747		8,747	93.3%
4006	Training	3,428	3,995	567		567	85.8%
4010	N N D Rates	7,738	7,738	0		0	100.0%
4011	Water Charges	1,317	794	(523)		(523)	165.9%
4012	Sewerage Charges	0	630	630		630	0.0%
4013	Electricity	(57)	503	560		560	(11.4%)
4014	Gas	455	600	145		145	75.9%
4015	Alarms	4,867	4,950	83		83	98.3%
4020	Telephone	1,349	1,125	(224)		(224)	119.9%
4025	Insurance	18,665	18,665	(0)		(0)	100.0%
4100	Purchase Materials	930	1,201	271		271	77.5%
4107	Equipment General	3,624	4,221	597		597	85.9%
4120	Building M & R (Other Contract	1,654	10,986	9,332		9,332	15.1%
4123	Minor Alterations & Imp.	2,399	0	(2,399)		(2,399)	0.0%
4124	Building M & R Peoples Park	0	6,000	6,000		6,000	0.0%
4131	Purchase Equipment	4,762	4,252	(510)		(510)	112.0%
4132	Purchase Protective Clothing	1,615	1,895	280		280	85.2%
4502	R & M Plant & Equipment	0	300	300		300	0.0%

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		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4571	Service Charges	8,860	9,070	210		210	97.7%
4572	Fuel	2,851	4,405	1,554		1,554	64.7%
	Park Rangers :- Indirect Expenditure	**186,419**	**212,039**	**25,620**	**0**	**25,620**	**87.9%**
	Net Expenditure	**(186,419)**	**(212,039)**	**(25,620)**			
115	CSGM						
1500	Contribution from Reserves	0	121,931	121,931			0.0%
	CSGM :- Income	**0**	**121,931**	**121,931**			**0.0%**
	Net Income	**0**	**121,931**	**121,931**			
116	Town Fairs						
1050	Hiring for events	1,070	1,070	0			100.0%
	Town Fairs :- Income	**1,070**	**1,070**	**0**			**100.0%**
	Net Income	**1,070**	**1,070**	**0**			
120	Football Pitches						
1020	Sports Hire	12,937	13,655	718			94.7%
1021	Licence and Premises Hire	40,969	25,733	(15,236)			159.2%
1051	Deposits	20	25	5			80.0%
	Football Pitches :- Income	**53,926**	**39,413**	**(14,513)**			**136.8%**
4000	Salaries	0	4,165	4,165		4,165	0.0%
4010	N N D Rates	7,111	7,111	0		0	100.0%
4011	Water Charges	403	1,722	1,319		1,319	23.4%
4013	Electricity	4,663	5,400	737		737	86.3%
4014	Gas	1,823	2,400	577		577	75.9%
4017	Caretaking and Cleaning	5,379	5,764	385		385	93.3%
4019	Cleaning Materials	846	1,200	354		354	70.5%
4100	Purchase Materials	6,438	6,450	12		12	99.8%
4107	Equipment General	18,090	29,120	11,030		11,030	62.1%
4109	Cleansing Contract	3,840	0	(3,840)		(3,840)	0.0%
4120	Building M & R (Other Contract	17,499	16,824	(675)		(675)	104.0%
4121	Ground Mtnce (Other Contractor	56,528	71,862	15,334		15,334	78.7%
4530	Bowling Green	8,166	9,218	1,052		1,052	88.6%
	Football Pitches :- Indirect Expenditure	**130,786**	**161,236**	**30,450**	**0**	**30,450**	**81.1%**
	Net Income over Expenditure	**(76,860)**	**(121,823)**	**(44,963)**			

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		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
131	Banbury in Bloom						
4651	Floral Sponsorship	8,587	8,994	407		407	95.5%
4652	Planting Day in the Park	1,243	1,998	755		755	62.2%
4654	Hanging Basket Workshop	331	1,850	1,519		1,519	17.9%
	Banbury in Bloom :- Indirect Expenditure	**10,161**	**12,842**	**2,681**	**0**	**2,681**	**79.1%**
	Net Expenditure	**(10,161)**	**(12,842)**	**(2,681)**			
132	Banbury Cross& FineLady Statue						
4120	Building M & R (Other Contract	0	5,800	5,800		5,800	0.0%
	Banbury Cross& FineLady Statue :- Indirect Expenditure	**0**	**5,800**	**5,800**	**0**	**5,800**	**0.0%**
	Net Expenditure	**0**	**(5,800)**	**(5,800)**			
150	Public Clocks						
4000	Salaries	793	846	53		53	93.8%
4013	Electricity	388	309	(79)		(79)	125.7%
4120	Building M & R (Other Contract	10	610	600		600	1.6%
4521	Service of Public Clock	0	1,600	1,600		1,600	0.0%
	Public Clocks :- Indirect Expenditure	**1,192**	**3,365**	**2,173**	**0**	**2,173**	**35.4%**
	Net Expenditure	**(1,192)**	**(3,365)**	**(2,173)**			
160	Capital Costs						
1500	Contribution from Reserves	0	210,000	210,000			0.0%
	Capital Costs :- Income	**0**	**210,000**	**210,000**			**0.0%**
4552	Capital - Play Areas	6,141	150,000	143,859		143,859	4.1%
4553	Capital - Allotments	0	60,000	60,000		60,000	0.0%
4554	Capital - Park Refurb	4,900	166,352	161,452		161,452	2.9%
	Capital Costs :- Indirect Expenditure	**11,041**	**376,352**	**365,311**	**0**	**365,311**	**2.9%**
	Net Income over Expenditure	**(11,041)**	**(166,352)**	**(155,311)**			
201	Bus Shelters						
4109	Cleansing Contract	1,680	1,680	0		0	100.0%
4800	New Shelters	0	5,500	5,500		5,500	0.0%
4802	Maintenance	560	2,120	1,560		1,560	26.4%
	Bus Shelters :- Indirect Expenditure	**2,240**	**9,300**	**7,060**	**0**	**7,060**	**24.1%**
	Net Expenditure	**(2,240)**	**(9,300)**	**(7,060)**			

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		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
202	Salt Bins						
4107	Equipment General	4,102	4,082	(20)		(20)	100.5%
	Salt Bins :- Indirect Expenditure	**4,102**	**4,082**	**(20)**	**0**	**(20)**	**100.5%**
	Net Expenditure	**(4,102)**	**(4,082)**	**20**			
	General Services Committee :- Income	**148,208**	**571,872**	**423,664**			**25.9%**
	Expenditure	**1,243,306**	**2,051,559**	**808,253**	**0**	**808,253**	**60.6%**
	Movement to/(from) Gen Reserve	**(1,095,098)**					

Continued over page

		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
Resources Committee							
301	Corporate Management						
4050	Bank Charges	2,146	1,950	(196)		(196)	110.0%
4056	Internal Audit	1,480	1,480	0		0	100.0%
4057	Audit Fees	2,520	2,500	(20)		(20)	100.8%
4058	Professional Fees	6,872	8,882	2,010		2,010	77.4%
4059	Legal Support	1,210	7,710	6,500		6,500	15.7%
	Corporate Management :- Indirect Expenditure	**14,228**	**22,522**	**8,294**	**0**	**8,294**	**63.2%**
	Net Expenditure	**(14,228)**	**(22,522)**	**(8,294)**			
302	Civic and Ceremonial						
4000	Salaries	1,041	1,140	99		99	91.3%
4006	Training	0	350	350		350	0.0%
4022	Printing	80	975	895		895	8.2%
4023	Stationery/Office Supplies	86	336	250		250	25.7%
4026	Subscriptions	0	320	320		320	0.0%
4850	Uniforms	120	200	80		80	60.0%
4851	Incoming Mayors Allowance	2,394	4,761	2,367		2,367	50.3%
4852	Outgoing Mayors Allowance	1,120	1,120	0		0	100.0%
4854	Civic Property Maintenance	36	486	450		450	7.4%
4855	Civic Insignia	2,431	2,881	451		451	84.4%
	Civic and Ceremonial :- Indirect Expenditure	**7,308**	**12,569**	**5,261**	**0**	**5,261**	**58.1%**
	Net Expenditure	**(7,308)**	**(12,569)**	**(5,261)**			
305	Central Administration						
4000	Salaries	208,473	225,228	16,755		16,755	92.6%
4005	Professional Subscriptions	1,322	1,541	219		219	85.8%
4006	Training	1,858	5,700	3,842		3,842	32.6%
4007	Subsistence	63	1,850	1,787		1,787	3.4%
4009	Travel Allowances	18	125	107		107	14.1%
4020	Telephone	4,238	4,114	(124)		(124)	103.0%
4021	Postage	1,560	3,300	1,740		1,740	47.3%
4022	Printing	1,681	2,542	861		861	66.1%
4023	Stationery/Office Supplies	2,622	2,523	(99)		(99)	103.9%
4025	Insurance	6,064	6,064	0		0	100.0%
4026	Subscriptions	5,532	5,415	(117)		(117)	102.2%
4031	Staff Advertising	0	2,000	2,000		2,000	0.0%
4032	Advertising/Publicity	2,355	2,600	245		245	90.6%

Continued over page

		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4033	Tourism/Marketing	1,831	6,000	4,169		4,169	30.5%
4035	Books & Publications	0	200	200		200	0.0%
4070	Computer Software	19,721	21,809	2,088		2,088	90.4%
4071	Purchase Equipment	41	100	59		59	41.4%
4073	Purchase Furniture	123	1,000	877		877	12.3%
4136	Purchase IT Equpment	2,130	1,500	(630)		(630)	142.0%
4850	Uniforms	306	625	319		319	49.0%
4856	Photography	125	500	375		375	25.0%
5000	Contingency Fund & Provision	0	5,000	5,000		5,000	0.0%
	Central Administration :- Indirect Expenditure	**260,063**	**299,736**	**39,673**	**0**	**39,673**	**86.8%**
	Net Expenditure	**(260,063)**	**(299,736)**	**(39,673)**			
310	Town Council Events						
1000	Miscellaneous Income	4,696	4,403	(293)			106.7%
1022	Premises Hire	66	0	(66)			0.0%
1055	Food Festivals	12,035	11,765	(270)			102.3%
1070	Canalside Festival Income	15,114	17,478	2,364			86.5%
1073	Town Mayors Sunday	3,484	3,449	(35)			101.0%
1076	Christmas Lights Switch On	4,050	4,200	150			96.4%
1860	Diamond Jubilee Income	10,255	10,255	0			100.0%
	Town Council Events :- Income	**49,700**	**51,550**	**1,850**			**96.4%**
4000	Salaries	90,160	96,482	6,322		6,322	93.4%
4074	Armed Forces Day	2,956	2,863	(93)		(93)	103.3%
4076	Christmas Lights Switch On	12,062	11,540	(522)		(522)	104.5%
4300	Town Mayor's Inauguration	1,986	1,898	(88)		(88)	104.7%
4310	Town Mayors Sunday	6,535	6,535	(0)		(0)	100.0%
4320	Battle of Britain	1,736	2,007	271		271	86.5%
4330	Remembrance Day	3,836	5,057	1,221		1,221	75.9%
4360	Canalside Festival	18,886	19,069	183		183	99.0%
4370	Banbury Music Mix	4,864	4,344	(520)		(520)	112.0%
4380	Banbury Show	325	0	(325)		(325)	0.0%
4390	Food Festivals	22,399	19,188	(3,211)		(3,211)	116.7%
4860	Diamond Jubilee	37,720	36,664	(1,056)		(1,056)	102.9%
5001	Seasonal Events	3,888	4,460	572		572	87.2%
	Town Council Events :- Indirect Expenditure	**207,355**	**210,107**	**2,752**	**0**	**2,752**	**98.7%**
	Net Income over Expenditure	**(157,654)**	**(158,557)**	**(903)**			

Continued over page

		Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
311	Town Hall						
1022	Premises Hire	7,335	8,089	754			90.7%
	Town Hall :- Income	**7,335**	**8,089**	**754**			**90.7%**
4000	Salaries	26,311	26,996	685		685	97.5%
4010	N N D Rates	18,532	18,532	0		0	100.0%
4011	Water Charges	732	895	163		163	81.7%
4013	Electricity	9,323	8,372	(951)		(951)	111.4%
4014	Gas	1,640	1,234	(406)		(406)	132.9%
4015	Alarms	1,200	1,000	(200)		(200)	120.0%
4016	Window Cleaning	245	285	40		40	86.0%
4019	Cleaning Materials	1,643	821	(822)		(822)	200.1%
4023	Stationery/Office Supplies	309	290	(19)		(19)	106.6%
4025	Insurance	15,234	15,234	0		0	100.0%
4032	Advertising/Publicity	479	920	441		441	52.1%
4071	Purchase Equipment	1,288	1,043	(245)		(245)	123.5%
4120	Building M & R (Other Contract	16,669	13,680	(2,989)		(2,989)	121.9%
4502	R & M Plant & Equipment	4,925	3,058	(1,867)		(1,867)	161.1%
4850	Uniforms	35	135	100		100	25.9%
4870	Catering	2,115	1,591	(524)		(524)	132.9%
4871	Licences inc PRS Fees	3,274	69	(3,205)		(3,205)	4744.6%
	Town Hall :- Indirect Expenditure	**103,954**	**94,155**	**(9,799)**	**0**	**(9,799)**	**110.4%**
	Net Income over Expenditure	**(96,619)**	**(86,066)**	**10,553**			
315	Other Services to the Public						
4700	Christmas Lighting Scheme	78,666	83,625	4,959		4,959	94.1%
4724	Open Air Pool Subsidy	88,598	84,425	(4,173)		(4,173)	104.9%
4900	Grants	7,000	10,750	3,750		3,750	65.1%
4901	Crime Prevention Support	3,000	8,300	5,300		5,300	36.1%
4902	Election Costs	3,814	3,814	(0)		(0)	100.0%
4903	Local Honors Scheme	0	1,000	1,000		1,000	0.0%
	Other Services to the Public :- Indirect Expenditure	**181,079**	**191,914**	**10,835**	**0**	**10,835**	**94.4%**
	Net Expenditure	**(181,079)**	**(191,914)**	**(10,835)**			
320	Other Costs and Income						
1176	Precept Received	2,113,471	2,113,471	0			100.0%
1190	Interest Received	152,788	165,454	12,666			92.3%
1500	Contribution from Reserves	0	21,572	21,572			0.0%
	Other Costs and Income :- Income	**2,266,259**	**2,300,497**	**34,238**			**98.5%**

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	Actual Year To Date	Projected Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4951 Revenue Contribution to Capita	21,572	21,572	0		0	100.0%
Other Costs and Income :- Indirect Expenditure	**21,572**	**21,572**	**0**	**0**	**0**	**100.0%**
Net Income over Expenditure	**2,244,688**	**2,278,925**	**34,237**			
Resources Committee :- Income	**2,323,295**	**2,360,136**	**36,841**			**98.4%**
Expenditure	**795,558**	**852,575**	**57,017**	**0**	**57,017**	**93.3%**
Movement to/(from) Gen Reserve	**1,527,737**					
Grand Totals:- Income	**2,471,502**	**2,932,008**	**460,506**			**84.3%**
Expenditure	**2,038,863**	**2,904,134**	**865,271**	**0**	**865,271**	**70.2%**
Net Income over Expenditure	**432,639**	**27,874**	**(404,765)**			
Movement to/(from) Gen Reserve	**432,639**					

RESOURCES COMMITTEE **5**

26 MARCH 2024

REPORT OF THE TOWN CLERK & RFO

INTERNAL AUDIT INTERIM REPORT 2023/24

1 Introduction and Purpose of Report

To submit the Internal Auditor's interim report for 2023/24 (attached at Annex 1).

2 Ward Affected

All wards.

3 Effect on Policy

Nil.

4 Contact Officers

Mark Hassall (01295 817313).

5 Background

5.1 The Town Council has an arrangement with Auditing Solutions Ltd. who provides Internal Audit Services to a number of Local Councils nationally. The Internal Auditor plans visits over a three-year cycle and examines different aspects of the Council's financial operations.

5.2 The Internal Auditor work was undertaken on 31st October 2023, 15th February 2024. This report contains observations made.

6 Comments

6.1 The Auditor concluded that, on the basis of the programme of work undertaken, the Council has maintained adequate and effective internal control arrangements during the year. In the areas examined, no major issues or concerns have been identified and it is considered the Clerk and staff continue to operate generally effective control procedures in each relevant area.

6.2 The Internal Auditors have completed and signed the 'Annual Internal Audit Report' in the year's Annual Governance and Accountability Return, having concluded that, in all significant respects, the control objectives set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

6.3 The areas of review included:

- Accounting records and bank reconciliations,
- Corporate Governance,
- Review of Expenditure,
- Assessment and Management of Risk,
- Precept Determination and Budgetary Control,
- Review of Income,
- Petty Cash,
- Staff Salaries,

- Investment & Loans

7 Financial Effects and Risk Assessment

7.1 None arising from this report. The Council's use of an Internal Auditor provides an independent source of assurance as to the veracity of its financial systems and statements.

8 Recommendations

8.1 The Committee is invited to review, receive and note the Internal Audit Report **(Annex 1).**

Background Papers: none

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Banbury Town Council

Internal Audit Report 2023-24 (Interim Update)

Adrian Shepherd-Roberts

For and on behalf of
Auditing Solutions Ltd

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the AGAR.

This report sets out the work undertaken in relation to the 2023-24 financial year to date which was completed on 31st October 2023 and 15th February 2024. We have undertaken our reviews for the year to date and we wish to thank the Town Clerk/RFO and staff in assisting the process, providing all necessary documentation in electronic format to facilitate completion of our review for the year to date. We have ensured that governance and financial controls remain effective.

Internal Audit Approach

In completing our reviews for the year to date, we have had regard to the materiality of transactions and their susceptibility to potential mis recording or misrepresentation in the year-end Statement of Accounts / Annual Return. Our programme of cover is designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's Annual Return, which requires independent assurance over a series of internal control objectives.

Overall Conclusion

We have concluded that, on the basis of the programme of work we have undertaken, the Council has maintained adequate and effective internal control arrangements during the year.

We ask that members consider the content of this report and acknowledge that the report has been reviewed by Council.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

The Council uses the Omega software to maintain its accounting records. Three bank accounts are operated with NatWest (Disbursements; Salaries and Special Interest) with transactions on each recorded in separate cashbooks in Omega. Further surplus funds are deposited with Santander and Barclays in a selection of term deposit accounts.

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have consequently: -

- Verified the accurate carry forward of the prior year's closing Trial Balance detail in the financial software into the accounts for 2023-24 by reference to the 2022-23 closing Trial Balance;
- Ensured that the financial ledger remains "in balance" for the year to date;
- Ensured that an appropriate cost centre and nominal ledger income and expenditure coding structure is in place;
- Checked and agreed a sample of transactions on the Salaries and Special Interest accounts for the year to December 2023;
- Checked and agreed detail on the latest disbursement account reconciliations as at December 2023; and
- Checked and agreed detail of the other two account reconciliations as at 30th December 2023.

Conclusions

We are pleased to report that no significant issues have been identified in this area. We will undertake further work at our final review.

Review of Corporate Governance

Our objective here is to ensure that the Council has developed an appropriate approach to the management of corporate governance; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

We have continued our review of the Council's minutes, examining those for the Full Council and its Standing Committee meetings (excluding Planning) for the year to determine, as far as we may reasonably be expected, whether any issues exist that may have an adverse effect on the Council's financial or other operational stability in the short, medium or long term.

We note that the Standing Orders and Financial Regulations were adopted in June 2023.

Conclusions

We are pleased to report that no issues have been identified in this area, warranting further comment. We will undertake further work at our final review.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- An official ordering process is in place and operated for all appropriate purchases, acknowledging that a range of goods and services are provided under contractual requirements (e.g. Grass Cutting) or legislation (e.g. non-domestic rates);
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

To ensure compliance with the above criteria, we have examined a sample of payments processed in the financial year to date.

Finally, in this area, we have examined the content of the quarterly VAT reclaims to December 2023.

Conclusions

We are pleased to report that no significant issues have been identified in this area. We will undertake further work at our final review.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition.

A Financial and Risk Management Policies are in place, and this has been reviewed on 31st October 2023.

The Council's insurance is provided by Aviva: we have reviewed the current year's schedule noting that Employers and Public Liability cover are in place at £10 million and £15million respectively, together with Fidelity Guarantee/Internal crime cover of £5 million and Business Interruption together cover on the Council premises and contents cover, all of which we consider appropriate for the Council's present requirements.

Conclusions

We are pleased to report that no issues have been identified in this area warranting further comment.

Precept Determination and Budgetary Control

We aim in this area of our work to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the amount of the precept placed on the Unitary Authority, that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans. We are pleased to note that members continue to receive regular budget monitoring reports with over/under-spends and the level of earmarked reserves the subject of regular review.

We note that Full Council approved, at its January 2024 meeting, a precept level of £2,230, 520 for 2024-25.

We are pleased to note that members continue to receive regular budget monitoring reports with over/under-spends and the level of earmarked reserves the subject of regular review.

Conclusions

There are no matters requiring formal comment or recommendation in this area of our review process.

Review of Income

The Council receives income from a variety of sources in addition to the annual precept, including monies received from burial and associated fees, allotment and premises rents, Town Hall room hire, special events, grants and donations and bank interest.

- We note that members continue to review annually the scale of fees and charges for the various amenities, with appropriate revisions approved for the current financial year;
- We have undertaken work at this interim update review, specifically examining management controls and a sample of income arising from the Cemeteries for 2023-24 with no issues identified.
- We have also reviewed the income from the Council operated allotments and note that all the relevant rents have been collected for 2023-24.

- We have reviewed the Outstanding Sales Ledger, as it stands currently, and are pleased to report that no significant or long-standing debts are in existence of which the Council are not aware.

Conclusions

There are no matters requiring formal comment or recommendation in this area of our review process.

Petty Cash Account

Our aim in this area is to ensure that appropriate controls are in place; that all expenditure incurred is adequately supported by trade invoices or till receipts; that the expenditure is appropriate for the Council's requirements; that VAT has been separately identified for periodic recovery and that cheque encashments from the main cashbooks are properly recorded.

We have checked the cash and have reviewed the holding from the information that we have been provided.

Conclusions

There are no matters requiring formal comment or recommendation in this area of our review process.

Review of Staff Salaries

The Council employs a number of staff preparing the monthly payroll in-house using the Sage payroll software. In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as most recently updated from April 2022 as regards employee contribution bandings.

To meet these objectives, we have, by reference to the payroll run for September 2023: -

- Ensured that the Council reviews and approves pay scales for staff annually;
- Examined a sample of employment contracts ensuring that gross pay is in accordance with that detail or, where superseded by a subsequent letter confirming a change in employment terms, in line with that letter;
- Checked the tax and NI deductions being applied in September 2023 to the relevant HMRC tables;
- Similarly, ensured that the appropriate pension percentage contribution is being applied to those employees contributing the LGPS scheme; and
- Agreed the gross amounts paid to all individuals in September 2023 by reference to the supporting payslips.

Conclusions

We are pleased to record that no issues have been identified in this area.

Investments and Loans

Our objectives here are to ensure that the Council is investing "surplus funds", be they held temporarily or on a longer term basis, in appropriate banking and investment institutions, that an appropriate investment policy is in place, that the Council is obtaining the best rate of return on any such investments made, that interest earned is brought to account correctly and appropriately in the accounting records and that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

We are pleased to note that the Council has an appropriate Treasury Management Policy which was reviewed by the Council in September 2023.

The Council currently has £3.95 million held on deposit with Santander bank: we have verified the holding by reference to current statements held. We have also checked the posting of interest in the nominal ledger.

There are no loans outstanding currently repayable either by or to the Council.

Conclusions

No issues require formal comment or recommendation. We will undertake further work at our final review ensuring that the balances are correctly reported in the Annual Return.

RESOURCES COMMITTEE

26 MARCH 2024

REPORT OF THE TOWN CLERK & RFO

LOCAL GOVERNMENT PENSION SCHEME (LGPS) – DISCRETIONS POLICIES

1 Introduction and Purpose of Report

1.1 To seek Members' approval to the adoption of a Pension Discretions Policy Statement (copy attached at **Appendix A**).

2 Wards Affected

2.1 All Wards.

3 Effect on Policy

3.1 This report proposes the adoption of new Council policy.

4 Contact Officer

4.1 Mark Hassall (01295 817313)

5 Background

5.1 The Pension Scheme rules require each employer within the LGPS to publish a statement with regards to how they will respond to various discretionary aspects of the scheme. The enclosed policy statements reflect the Councils stated position in 2017 (C.32/17).

5.2 This report makes recommendations for Banbury Town Council policies on discretions to be exercised:

i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,

ii) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014,

iii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations,

iv) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, and

v) under the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.

6 Financial Effects & Risk Assessment

6.1 The financial effects arising from adopting the recommendations in the report can be contained within approved revenue estimates.

7 Recommendations

7.1 The Committees is invited to RECOMMEND to Council to:

i) approve the Summary of Mandatory discretions affecting Active members and Leavers on and after 2 April 2014 (section 1), and

ii) Summary of recommended discretions (not Mandatory) affecting Active members and Leavers on and after 2 April 2014 (section 2), and

iii) approve the Other Mandatory provisions to be included in a policy, under different regulations and which can apply to active employees regardless of LGPS membership (section 3), and

iv) approve the of Mandatory discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014 (section 4), and

v) approve the Mandatory discretions to be exercised on and after 1 April 2014 (for requests made from 14 May 2018) in relation to members (including councillor members) who ceased active membership between 1 April 1998 and 31 March 2008 (section 5), and

vi) approve the Mandatory discretions to be exercised under the 2000 Discretionary Regulations (section 7),

Background Papers: Nil

Banbury Town Council

Banbury Town Council discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations

Summary

1. This report makes recommendations for **Banbury Town Council** policies on discretions to be exercised:

i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,

ii) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014,

iii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations,

iv) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, and

v) under the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.

Background

2. In March 2011, the Independent Public Service Pensions Commission, chaired by Lord Hutton, published its final report of the review of public service pensions. The report made clear that change was needed to “make public service pension schemes simpler and more transparent, [and] fairer to those on low and moderate earnings”.

3. As a result, it was decided that the Local Government Pension Scheme (LGPS) should be reformed so that, from 1 April 2014, benefits accrue on a Career Average Revalued Earnings (CARE) basis rather than on a final salary basis.

4. The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2014 final salary pension rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

5. As a result of the changes, **Banbury Town Council** is legally required to formulate, publish and send to the LGPS pension fund administering authority a written Statement of Policy on certain discretions under the LGPS which **Banbury Town Council** has the power to exercise on and from 1 April 2014 in relation to members of the CARE scheme.

6. **Banbury Town Council** is also legally required to (or where there is no requirement, is recommended to) formulate, publish and keep under review a Statement of Policy on certain other discretions it may exercise:

i) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014, and
ii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations in relation to employees who are, or are eligible to be, members of the LGPS, and
iii) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

7. Any amended policy under paragraph 6(i) above must be published and sent to the LGPS pension fund administering authority within one month of the date the revisions to the policy were made.

8. Any amended policy under the paragraph 6(ii) above must be published and, in respect of any changes relating to awards under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000, the change must be published within one month of the decision to amend the policy.

9. Any amended policy under the paragraph 6(iii) above must be published.

10. Overall, **Banbury Town Council** is:

i) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with:

- regulation 60 of the Local Government Pension Scheme Regulations 2013,
- paragraph 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014,

- regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 (in respect of former employees who were members of the LGPS and who left between 1 April 2008 and 31 March 2014),
- regulation 106 of the Local Government Pension Scheme Regulations 1997 (in respect of former employees who were members of the LGPS and who left between 1 April 1998 and 31 March 2008), and
- regulation 106 of the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.

ii) recommended to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, which were operative from 1 October 2006.
iii) recommended to formulate, publish and keep under review a written Statement of Policy on certain discretions relating to injury allowances under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

11. In formulating and reviewing its policies under the LGPS Regulations referred to in paragraphs 10(i) and (ii) above **Banbury Town Council** is required to have regard to the extent to which the exercise of its discretionary powers might lead to a serious loss of confidence in the public service.

12. In formulating and reviewing its policies under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 and 2006 referred to in paragraphs 10(ii) and (iii) above **Banbury Town Council**:

i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

13. In formulating and reviewing its policies under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 referred to in paragraphs 10(iii) above **Banbury Town Council**:

i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

Decisions required

14. **Council** is asked:

i) to approve the policies on the discretions to be exercised under the LGPS Regulations in respect of those employees who are active scheme members after 31 March 2014 and members and who cease active membership after 31 March 2014, as set out in the table at Annex 1, and

ii) to approve the policies on the discretions to be exercised under the LGPS Regulations in respect of former employees who were scheme members and who left prior to 1 April 2014 (and in respect of local authority councillor members), as set out in the table at Annex 2, and

iii) to approve the policies on the discretions to be exercised under the Discretionary Compensation Regulations, as set out in the table at Annex 3.

iv) to approve the policies on the discretions to be exercised under the Injury Allowances Regulations, as set out in the table at Annex 4.

Consultation

Banbury Town Council is not required to consult with **Unison** when **Banbury Town Council** intends to adopt new, or change existing, discretionary policies. However, it was considered appropriate to give advance notification to **Unison** that this report would be considered by **Council**.

Effective date of policies

15. The policies on discretions to be exercised under the LGPS Regulations 2013 take immediate effect from the date **Banbury Town Council** agrees the policies. Any change to the policies on existing discretions to be exercised under the LGPS Regulations in respect of former employees who were members of the scheme and who left pre 1 April 2014 (and in respect of local authority councillor members) take immediate effect from the date **Banbury Town Council** agrees the policies.

16. Any change to the discretions exercised under the Discretionary Compensation Regulations cannot take effect until one month after the date **Banbury Town Council** publishes a statement of its amended policy.

[

17. Any change to the discretions exercised under the Injury Allowances Regulations cannot take effect until one month after the date **Banbury Town Council** publishes a statement of its amended policy.

Non-fettering of discretions

18. The recommendations contained within this report, if approved, will form **Banbury Town Council** policies on pension and compensation discretions. It should be noted that:

- the policies will confer no contractual rights
- subject to paragraphs 15 to 17, **Banbury Town Council** will retain the right to change the policies at any time without prior notice or consultation **but Banbury Town Council will endeavour to discuss changes with Unison**, and
- only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member.

Contact Officer: Name: Mark Hassall

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Date: 26 March 2024

1: Summary of MANDATORY discretions affecting Active members and Leavers on and after 2 April 2014

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
Will the employer grant extra annual pension? 2013 LGPS Regulation 31	• Employer can pay the fund to increase the member's pension up to an additional £7,579 a year (April 2023 rate). • Can be granted to an active member, or within 6 months of someone leaving on redundancy or business efficiency. • Full cost is with the employer.	**Banbury Town Council** will not make use of the discretion to grant extra annual pension of up to £7,579 (figure at 1 April 2023) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.	
Will the employer share the cost of purchasing additional pension (SCAPC) with a member? 2013 LGPS regulation 16(2) and (4)	• When an active member elects to buy additional pension by extra contributions, the employer can voluntarily contribute towards this. Under what circumstances might the employer do so? • **Do not confuse** with restoring lost pension after approved absence when employer **must** share 2/3rds cost.	**Banbury Town Council** will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in three situations. Firstly, where: - an active scheme member returns from a period of authorised leave of absence, and - the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension 'lost' during that period of leave of absence, and - the member subsequently makes an election to do so whilst an active member and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline, and	

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		- the election is made no more than 3 months after the member returns from the period of leave of absence or such longer period as **Banbury Town Council** may deem reasonable in any individual case. A decision on whether the member meets the above criteria (and on whether the 3 month period referred to should be extended in any individual case) will be taken by **the Town Clerk** and, where it is agreed that the conditions are met, **Banbury Town Council** will be required to contribute 2/3rds of the cost of buying back the 'lost' pension via a SCAPC. Secondly, where a member has a string of odd days of authorised unpaid leave of absence throughout the Scheme year (1 April to 31 March). In such a case **Banbury Town Council** will, instead of requiring elections to buy-back the amount of pension 'lost' during the periods of leave of absence to be made within 30 days of returning from each day of absence, allow the member (whilst an active member) to make a single election during the Scheme year to cover each one of the absences that occur during the Scheme year. Thirdly, in exceptional circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and / or operational business case put forward.	

<table>
<tr><th>Discretion required</th><th>Background and points to consider</th><th>Employer’s decision (to be completed by employer)</th><th>Tick ✓</th></tr>
<tr><td>Will the employer permit flexible retirement?

2013 LGPS regulation 30(6)</td><td>Members aged at least 55, with agreement of their employer, may reduce their hours or grade and take payment of their pension benefits. (Member stays in fund in ongoing employment)
Member has the choice on taking all, part or none of post 31 March 2008 benefits.
Early payment may mean pension is reduced for the member, but the employer can waive the reduction completely or in part. (Full cost is with the employer.)
Some members may have protected rights to unreduced pension, which would increase employer costs.
Always seek guidance on costs from Pension Services.</td><td><u>Flexible retirement</u>
Banbury Town Council will not agree to flexible retirement except in circumstances where Banbury Town Council considers it is in its financial or operational interests to do so. Each case
- will be considered on the merits of the financial and / or operational business case put forward,
- will set out whether, in additional to any pre 1 April 2008 benefits, the member will be permitted, as part of the flexible retirement agreement, to take
a) all, some or none of their 1 April 2008 to 31 March 2014 benefits, and /or
b) all, some or none of their post 31 March 2014 benefits, and
- will require the approval of the Town Clerk.

- where flexible retirement is being considered, there must be a reduction of at least one grade or, in the case of a flexible retirement due to a reduction in working hours, be a minimum reduction in hours of 20% e.g. the equivalent of the hours for one working day].

<u>Waiver of any actuarial reduction on flexible retirement</u>
Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. Banbury Town Council will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be</td><td></td></tr>
</table>

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		considered on the merits of the financial and / or operational business case put forward and will require the approval of **the Town Clerk** including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived.	
Will the employer switch back on '85-year rule' protections? 2014 Transitional Provisions regulations Sched 2	• Unlikely to apply when membership only starts from 1 April 2014 with no linked previous membership. • This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to "switch it on" for voluntary retirements between age 55 and 60. • Full cost is with employer.	**Banbury Town Council** will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of **the Town Clerk.**	
When would the employer waive actuarial reductions to benefits being drawn on early voluntary retirement? 2013 LGPS regulation 30(5)	• Pensions taken early, voluntarily, are reduced but the employer can waive the reductions at their own cost. • Waiver can apply from active, from deferred status and from deferred tier 3 ill health retirees, between age 55 and normal pension age. • Employers should be clear in their policy on how this could apply and under which circumstances. • For post 2014 membership there is no longer the requirement to satisfy compassionate grounds to release pension early. • Ideally your policy should include under what circumstances you would consider waiving reductions (if appropriate).	Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age **Banbury Town Council** will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so or there are compelling compassionate[1] reasons for doing so. Each case - will be considered on the merits of the financial and / or operational business case put forward, or	

1 There is no definition in the Regulations of "compassionate grounds". However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		- will be considered on the merits of the compassionate case put forward, and - will require the approval of **the Town Clerk** including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived	

2. Summary of recommended discretions (not Mandatory) affecting Active members and Leavers on and after 2 April 2014

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
Employer to determine who will join the scheme (**Admitted** and **Designated Bodies)** 2013 LGPS regulation 2	• **Admitted and Designated bodies -** Committee minutes / admission agreement must specify who will be eligible to join the scheme - either by the name, or by type of employment and from which date. • Scheduled Bodies including county, district councils, FE colleges, academies, university must follow LGPS regulations. Admission is not discretionary.		
Employer to determine member contribution band and terms of review. This decides the member contribution rate. 2013 LGPS regulations 9/10	• On joining and every April the employer should allocate the member's contribution band • The policy should show if the allocation would change mid-year following a material change in pay. • Inform member of your process. • Ideally members' contracts should specify what other pay and benefits are pensionable.	**Banbury Town Council** will review the allocation of member contribution rates annually on 1 April.	
Will the employer extend time limits for member to make decision on transfer of pension rights from an approved pension scheme? 2013 LGPS regulation 100(6)	• The member has 12 months from first joining the LGPS in that employment to receive details, seek advice and make decision on transfer. • There may be reasons for delays out of the member's control. • Employer may want to seek advice on any potential financial cost from Pension Services before approving request to extend deadline.	**Banbury Town Council** will only extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS: - where the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS; - where the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); - where the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.	
Will the employer extend the time limit for members to NOT link (aggregate) their LGPS memberships? 2013 LGPS regulation 22(7)+(8)	• A member joining after April 2014 who has previous LGPS membership can elect to keep pension records separate but this must be done within 12 months of starting in that employment. • Without the written election pension records will be linked together. • There may be reasons for delays out of the member's control.	**Banbury Town Council** will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment): a) where **Banbury Town Council** agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		b) where **Banbury Town Council** agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or c) where the member has pre 1 April 2014 membership and **Banbury Town Council** agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with **Banbury Town Council** is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).	
Will the employer extend the time limit for members to link (aggregate) their LGPS memberships? [Amendment LGPS regulations 2018 27 and TP 2014 Regulations 10]	• For those joining scheme again after May 2018 but who were in the scheme during March/April 2014 and have previous deferred benefit - aggregation will not be automatic, • If they wish to aggregate they must have written election within 12 months. • The employer may allow a later election.	**Banbury Town Council** will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment):	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
		a) where **Banbury Town Council** agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration; b) where **Banbury Town Council** agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or c) where the member has pre 1 April 2014 membership and **Banbury Town Council** agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with **Banbury Town Council** is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).	
Will the employer contribute to Shared Cost Additional Voluntary Contributions (SCAVC)?	• Whether, how much and in what circumstances will the employer contribute to the SCAVC arrangement.	**Banbury Town Council** will not enter into a shared cost AVC arrangement other than: a) in exceptional circumstances in which case the decision to contribute, and the amount of	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick ✓
2013 LGPS regulation 17	• It is recommended to consult with Pension Services on any payroll / benefit implications before setting this up.	the contribution, will be subject to the approval of **the Town Clerk**, or where the scheme member enters into a SCAVC salary sacrifice arrangement	
Will the employer include regular lump sums when assessing value for Assumed Pensionable Pay (APP)? 2013 LGPS regulation 21	• When calculating APP, if in the twelve months before the member would have ordinarily received a lump sum payment, will the employer use this in the APP calculation. • NB separate calculations are required if member dies in service or retires on ill health even if APP already assessed for monthly returns. • employer should state in their policy how checks will be made and how member and fund are informed.	In assessing Assumed Pensionable Pay (APP) **Banbury Town Council** will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments' in which case the decision to include the 'regular lump sum payment' will be subject to the approval of **the Town Clerk**.	
Will the employer substitute a higher value of pensionable pay when assessing APP ? 2018 amendment regulations 7	• An employer may substitute a higher pensionable pay if, in their opinion, the value assessed by APP is materially lower than member would ordinarily have received in the previous year. • This could occur during child related leave, reduced on no pay sickness etc and be used for ill health retirement on tier 1 or 2, death in service.	In assessing Assumed Pensionable Pay (APP) **Banbury Town Council** will not, other than in exceptional circumstances, include in the calculation a higher pensionable pay, in which case the decision to include a 'higher value of pensionable pay' will be subject to the approval of **the Town Clerk**. .	
Will the employer extend the time limit for a member to decide to restore lost pension by shared cost additional pension contributions (SCAPC) after a period of no pay (other than due to	• After a period of approved unpaid leave, a member has 30 days from their return to work to receive information to enable election for (SCAPC) shared cost additional pension contribution, to restore lost pension. • employer must provide lost pay details and advise member of opportunity.	**Banbury Town Council** will only extend deadlines beyond 30 days of return to work when application shows good reason for the delay in decision. Any extension must not exceed 30 days from return to work and decision will be made by of **the Town Clerk**.	

An employer has discretion to exercise in these areas	**Background and points to consider**	**Employer's decision (to be completed by employer)**	**Tick ✓**
sickness or paid child related leave.)? 2013 LGPS regulation 16(16)	• employer must share costs when the election is made within the time limits stipulated. • Increasing time limit would allow for any delays in administration process.		

3: Other MANDATORY provisions to be included in a policy, under different regulations and which can apply to active employees regardless of LGPS membership An employer has discretion to exercise in these areas	**Background and points to consider** (shaded sections are mandatory)	**Employer's decision**	**Tick** ✓
Will the Employer make an injury award to compensate for loss of a) pay, or b) job, or c) death due to injury or disease sustained at work? Regulation 3-7 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 employers (LGPS employers)	• Under what circumstances, for how much and for how long would an employee be compensated if in performing their duties they sustain injury or disease leading to loss of pay, employment or death? • Injury award could apply to all employees regardless of LGPS membership. • All costs rest with employer.	**Banbury Town Council** will not set up an injury award scheme under these regulations. .	

Will the employer pay enhanced redundancy payments and /or compensation for loss of employment on redundancy ? Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006	1) in the event of a redundancy, when weekly pay is higher than the relevant statutory weekly pay, which would the employer use to assess redundancy payment? (Regulation 5) 2) an employer can make a termination payment of up to 104 weeks' pay to an LGPS member or someone eligible to be a member when leaving due to redundancy, efficiency or cessation of a joint appointment. **Cannot use** this if you are awarding additional pension under 2013 LGPS regulation 31. Neither 1 nor 2 are funded - all at employer cost.	Any redundancy payment will be calculated on an employee's actual week's pay and not limited to the statutory weeks' pay limit where pay exceeds that limit. Continuous local government service, as defined under the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, will be taken into account in the calculation of redundancy payments. Staff whose employment is terminated on the grounds of redundancy or business efficiency will receive a termination payment (to incorporate any redundancy pay) calculated using the statutory redundancy payment formula but based on actual pay, enhanced by a multiplier of up to **3.466**.	

4: Summary of MANDATORY discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members (<u>excluding</u> councillor members) who ceased active membership between 1 April 2008 and 31 March 2014

Occasionally an employer will receive request from a former employee who left the employment and the LGPS under earlier pension scheme regulations. The following table shows the mandatory discretions under different regulations according to the leaving date. These are all mandatory.

Where bodies have amalgamated, or services transferred check on your level of inherited responsibility to ensure you include the right category.

If this Section does not apply to you, please indicate here ______

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision	Tick ✓
Will employer switch on '85-year rule' protections for early payment of deferred benefit? Request made from May 2018 LGPS Administration Regulations 2018 66 and sched 2 of 2014 TP Regulations	• Early payment of a deferred benefit – on and after May 2018, for those between ages 55-60 does not automatically carry the 85-year rule protection to unreduced pension. • The opportunity to request early payment of DB for those in this age group only available from May 2018. Before then, agreement to early payment before age 60 required protection of 85-year rights and full employer costs. • Costs fall to the employer, ask Pension Services for estimate for decision process.	**Banbury Town Council** will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of **the Town Clerk.**	
Will you 'switch on' the 85-year rule upon the voluntary early payment of a suspended tier 3 ill health pension? from 14 May 2018 LGPS Administration Regulations 2018 66 and sched 2 of 2014 TP Regulations	• Background, points and costs like those in line above – introduced from May 2018 for post 2014 leavers with suspended tier 3 pension. • Costs fall to the employer, ask Pension Services for estimate for decision process.	**Banbury Town Council** will not agree to apply the 85 year rule where members upon the voluntary early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 except in circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of **the Town Clerk.**	

An employer has discretion to exercise in these areas	**Background and points to consider**	**Employer's decision**	**Tick ✓**
Will the employer waive actuarial reductions due to compassionate grounds for early payment of deferred pension - before age 65? LGPS regulations 2007 30(5) Sched 2 of TP regulations 2014	• The additional costs rest with the employer, waiving the reduction for early payment is for the lifetime of the pension. Apply to Pension Services for details of costs. • Ideally include details required you need to make the decision • Include where to present the request. • Notes for the release of pension early for post 14 members could also be read here. • Can apply for member with DB or with suspended tier 3 ill health pension, left scheme before 1.4.2008. • Compassionate grounds is only reason for waiving reduction.	**Banbury Town Council** will consider the waive of actuarial reductions due to compassionate grounds for early payment of deferred pension - before age 65. Each case will be considered on its merits and will be subject to the approval of **the Town Clerk**.	

5: Summary of MANDATORY discretions to be exercised on and after 1 April 2014 (for requests made from 14 May 2018) in relation to members (<u>including</u> councillor members) who ceased active membership between 1 April 1998 and 31 March 2008

1. Will the employer waive reductions on compassionate grounds for an early voluntary payment of pension?
   a. **Banbury Town Council** will consider the waive of actuarial reductions due to compassionate grounds for early payment of deferred pension - before age 65. Each case will be considered on its merits and will be subject to the approval of **the Town Clerk**.

2. Will the employer switch on the 85-year rule for early payment of DBs requested between ages 55-60?
   a. **Banbury Town Council** will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where **Banbury Town Council** considers it is in its financial or operational interests to do so. Each case
      - will be considered on the merits of the financial and / or operational business case put forward, and
      - will require the approval of **the Town Clerk.**

3. Will the employer permit early payment of benefit from age 50 and under 55 (always check on the tax situation as may result in unauthorised payment charge)?
   a. **Banbury Town Council** will consider the waive of actuarial reductions due to compassionate grounds for early payment of deferred pension - from age 50 and under 55. Each case will be considered on its merits and will be subject to the approval of **the Town Clerk**.

Contact Pension Services for cost estimates. Please refer to the tables above for points to consider and the LGA www.lgpsregs.org guide to Employer Discretions provide more detailed reference.

If you are a new employer, and this Section does not apply to you, please indicate here ______

A note about Councillors / elected members: Although elected members may not now join the LGPS in England, this fund does hold the deferred pensions for former councillors from some Districts and the County Council. Authorities enabling the elected members to join should have the 3 mandatory policy areas <u>above</u> prepared for leavers between 1 April 1998 and 31 March 2008 (effective from 14 May 2018).

6: Summary of the MANDATORY discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members (excluding councillor members) who ceased active membership before 1 April 1998

An employer has discretion to exercise in these areas	**Background and points to consider** (shaded sections are mandatory)	**Employer's decision**	**Tick** ✓
Will the employer grant early payment of deferred benefit on compassionate grounds? LGPS regulations 1995 (Transitional Provisions 1997 2)	• There is an employer cost involved in agreeing to early payment from age 50 and HMRC charge for unauthorised payment. • You should include details required you need to make the decision.		

If this Section does not apply to you, please indicate here ___**DOES NOT APPLY TO BANBURY TOWN COUNCIL**___

7: Summary of the MANDATORY discretions to be exercised under the 2000 Discretionary Regulations

These regulations still apply as benefits have been awarded in the past for certain leavers before 1 April 2007. Employers, (most likely to be County, District Councils and Oxford City) using these in the past should maintain **mandatory** policies on:

- Reduction or suspension of annual compensation (added years) during periods of re employment in local government and after leaving and having opportunity to re-join the LGPS (even if doesn't) what level of pension abatement to apply

Banbury Town Council will, during any period of re-employment in local government (see note below), abate a person's annual compensatory added years' payment by the 'excess' if the aggregate of:

- the annual compensation, and
- the annual pension from the LGPS, and
- the annual rate of pay from the new employment

exceeds the pay the person would have received from the employment in respect of which the compensatory added years were granted, based on the annual rate of pay at the date of ceasing the former employment as increased by the relevant cost of living increases (i.e. as increased by the rate at which an 'official pension' is increased under the Pensions (Increase) Act 1971). Index.

Where compensatory added years were awarded on or after 21 June 2000, **Banbury Town Council** will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) to the extent necessary to secure that if:

- the period of compensatory added years granted in respect of the former employment,

plus

- the period of membership the person has accrued in the LGPS (or would have accrued had he / she joined the scheme when first eligible to do so) during the period of re-employment in local government, counted at its part-time length, if the person was part-time,

exceeds

- the period of membership the person would have accrued during the period from the cessation of the former employment until age 65 on the assumption that he / she had continued in that former employment to age 65 (again counted at its part-time length if the person was part-time at the date of cessation of the former employment), then

- the annual pension and lump sum from the first job combined with the annual pension and lump sum from the second job (based on the assumption that the employee joined the LGPS when first eligible to do so), plus the annual compensation and lump sum compensation, shall not in aggregate exceed the pension and lump sum the person would have achieved if he / she had remained in the first job through to age 65.

Where there is an excess, the annual compensation will be reduced by the excess pension and, if the annual compensation is not reduced to nil, the amount of the remaining (reduced) basic annual compensation will then be suspended until the excess lump sum (if any) is recovered.

In calculating whether or not, in aggregate, the annual pension and lump sum from the first job, plus the annual pension and lump sum (if any) from the second job (based on the assumption that the employee joined the LGPS at the first opportunity), plus the annual compensation and lump sum compensation, exceeds the pension and lump sum the person would have achieved if he/she had remained in the first job through to age 65 it will be necessary to compare:

a) the actual LGPS pre 1 April 2008 1/80th pension and 3/80ths lump sum, plus the actual LGPS post 31 March 2008 1/60th pension (ignoring any commutation for a lump sum), plus the actual 1/80th annual compensation and 3/80ths lump sum compensation, with
b) the 1/80th LGPS pension and 3/80ths lump sum the member would have achieved in their first job to 31 March 2008, plus the 1/60th LGPS pension the member would have achieved in their first job (ignoring any potential commutation for a lump sum), if the member had stayed in the first job through to age 65.

In determining the benefits the employee could have achieved had he / she remained in the first employment through to age 65 it will be necessary to determine the pensionable pay to be used in the calculation. For this purpose, the pensionable pay figure used in the calculation of the pension benefits in the first job will be used as brought up to date by increasing it in line with the Pensions Increase (Review) Orders.

If a person has been awarded more than one previous period of compensatory added years, e.g. as a result of being made redundant more than once, the abatement / claw back provisions are modified. In such a case, the rules under the former Local Government (Discretionary Payments) Regulations 1996 will be applied where a person ceases a period of re-employment in local government and has previously been granted more than one period of compensatory added years, but using the pay in the first job as increased in line with inflation (i.e. ignoring regulations 18(5)(a)(ii), 18(6) and 18(7) of the Local Government (Discretionary Payments) Regulations 1996.

Where compensatory added years were awarded before 21 June 2000, **Banbury Town Council** will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) in accordance with the Local Government (Discretionary Payments) Regulations 1996.

Note: *'local government' means employment with an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body). Technically, an employee of an Admitted Body (i.e. a body that has applied to the administering authority to allow its employees to join the LGPS and has entered into a formal admission agreement) is only employed in 'local government' if he / she is a member of the LGPS.*

- If survived by more than one civil partner or spouse how will the pension be apportioned

Banbury Town Council will apportion any surviving spouse's or civil partner's annual compensatory added years pension where the deceased person is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual cases).

- Whether to suspend spouse or civil partner pension during periods of re marriage/ partnership or cohabitation
  (Note: Banbury Town Council was not in existence prior to 1 April 2000)
  - If the spouse or civil partner of a person who ceased employment before 1 April 1998 remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.

- Whether to reinstate spouse or civil partnership added year's compensatory pension after remarriage etc has ended
  - If the spouse or civil partner of a person who ceased employment before 1 April 1998 remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.

- Would children's pension be payable under compensatory regulations when not under LGPS main scheme?
  - If compensatory added years were awarded to an employee who was not in the LGPS (because the employee had not joined or had opted out of the LGPS) Banbury Town Council will decide to whom and in what proportions any children's annual compensatory added years payments are to be paid as Banbury Town Council, at its sole discretion, sees fit (based on the merits of the individual cases).

If this Section does not apply to you, please indicate here ______