

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

21st May 2013

Title of paper:	Local Government (Discretionary Payments) Injury Allowances and the Removal of Provision to grant a Gratuity Pension	
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Portfolio Holder(s):	Cllr Jon Collins Health, Commissioning and Human Resources	Date of consultation with Portfolio Holders(s): 22.04.13
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Relevant Council Plan Strategic Priority: (you must mark X in the relevant boxes below)		
World Class Nottingham		
Work in Nottingham		x
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Leading Nottingham		x
Summary of issues (including benefits to citizens/service users):		
The purpose of this report is to agree the policy position of not providing a separate Injury Allowance Scheme and to note the removal of any new gratuity pension applications.		
Recommendation(s):		
1	Confirm that any discretionary payments made to colleagues and/or ex colleagues where an industrial injury has occurred are dealt with through the corporate Liability Insurance and Group Personal Accident Scheme currently in operation.	

2	The city council will not formally adopt a separate Injury Allowance Scheme
3	Confirm that no new requests for gratuity pensions will be accepted with immediate effect

1. BACKGROUND

New regulations were published January 2012 enforcing all Local Authority employers to formulate a policy statement on whether they wish to exercise their discretion to provide an injury allowance scheme or not. Discretion has always been available; however the new regulations insist that Local Authorities publish their position regarding this matter within a policy statement.

Also contained in these new regulations is the removal of any new gratuity pension for any colleague leaving the organisation at normal retirement age. Gratuity pensions were paid to ex colleagues who were not able to join the pension scheme due to restrictions at the time due to part time membership conditions. Existing gratuity pensioners will not be affected by this change.

The purpose of this report is to agree the policy position of not providing a separate Injury Allowance Scheme and to note the removal of any new gratuity pension applications.

Currently all injury related claims are dealt with through the City Councils Corporate Liability Insurance this report confirms that to continue to allow all related claims to be progressed through this method and to not adopt a separate policy. Each service area currently contributes towards the corporate liability insurance and therefore a corporate provision already exists for such claim payments along with an established procedure within the Insurance team.

In summary the main changes are

- The new Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 revoke Parts V, VI and VII of the Local Government (Discretionary Payments) Regulations 1996 (SI 1996/1680) covering injury allowances and gratuities. This brings forward some new injury allowance provisions which reflect improvements in light of experience of use to date with other local authorities and tax changes, changes driven by equalities legislation and to “localise” the appeals procedure. Also despite the title this is operated completely separate from the Local Government Pension Scheme (LGPS).
- There is now a new requirement for local government employers to publish a written statement (and to keep that statement under review) as to whether they intend to adopt a discretionary injury benefit allowance scheme. It has been known that for some time colleagues seeking an injury benefit allowance are unclear as to whether their employer participates in an arrangement or not. The introduction of this provision is intended to make matters clearer and avoid any confusion.
- If the City Council ever decided to pursue either a temporary or permanent injury allowance this would need to first have the colleagues’ injury or disease certified by the city councils Independent Registered Medical Practitioner (IRMP). This new provision would then achieve the aim that it aligns more towards the LGPS ill health retirement regulations where ill health retirements have to be certified by the IRMP.
- Any potential death benefits provisions have been extended to accommodate “nominated cohabiting partners” in addition to other types of survivor in order to comply with equalities legislation.

- The updating of the regulations also follows action taken by other central government departments to review their respective injury benefit schemes namely the Home Office for police officers, department of Health for NHS employees and department of Education for teachers mainly to restrict and tighten the level of injury allowances. Therefore it follows that the provisions which impact on local government needed to be revised and updated also.
- The removal of any new gratuity pensions will require the removal of this from the people management handbook (previously policy C.4k). Gratuities have been paid to eligible colleagues who retire without entitlement to any Superannuation benefit - Section 18, Local Government Superannuation Act 1953 due to being ineligible to join the pension scheme because of restrictions in membership at the time.

2. REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

The 2012 regulations require action to be taken in line with proposed recommendations and adopting these recommendations requires no change the current arrangements in place within Nottingham City Council to deal with injury related claims.

The removal of any new gratuity pensions is non negotiable.

3. EMPLOYER ACTIONS

Nottingham City Council is required to publish a policy statement in relation to it's management of injury related claims and remove the provision of gratuity pensions from the people management handbook.

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

No financial implications due to adopting the current arrangements from the Group Personal Accident Scheme.

5. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

None

6. EQUALITY IMPACT ASSESSMENT

No equal opportunity implications are anticipated

7. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

The Local Government (Discretionary Payments) Injury Allowances Regulations 2011 Statutory Instrument 2954.