

## PLYMOUTH CITY COUNCIL

**Subject:** Tamar Bridge & Torpoint Ferry LGPS Discretions Policy  
**Committee:** Cabinet  
**Date:** 13 January 2015  
**Cabinet Member:** Councillor Coker  
**CMT Member:** Anthony Payne (Strategic Director for Place)  
**Author:** Andrew Vallance, Business Manager Tamar Bridge and Torpoint Ferry  
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**Ref:**  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

The Tamar Bridge and Torpoint Ferry are operated, maintained and improved jointly by Plymouth City Council and Cornwall Council on a 'user pays' principle, being funded by toll income using powers derived from the Tamar Bridge Act. The finances of the joint undertaking are effectively ring-fenced by the Act, and it is operated as a self-financing business. The Act prescribes Cornwall Council as the administering authority for the Pension Scheme and the joint undertaking is regarded as a scheduled body in its own right for pension scheme administration purposes.

The 2014 Local Government Pension Scheme (LGPS 2014) requires employers and scheduled bodies to set out their approach to discretionary elements of the scheme. At its meeting of 5 December 2014, the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC) proposed that a draft LGPS Discretions policy be recommended to the joint Authorities.

The report presents the report submitted to TBTFJC on 5 December 2015 and draft minutes recording the decision to recommend the draft policy are appended to the report.

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### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The Tamar Bridge & Torpoint Ferry links are key gateways to the City and provide opportunities for investment, jobs and growth particularly in the wider context of Plymouth as the regional economic centre.

Providing a safe well-maintained road network contributes to the economic well-being of the City, supporting the Council's Growth priority.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

**Finance** –The policy requires robust analysis of potential savings and the proposed policy is unlikely to result in a significant number of reviews under discretionary terms.

**Human** – The proposed policy adopts a similar approach to that of the TBTFJC's administering authority for LGPS 2014. Adoption of the policy will ensure that LGPS requirements are met.

Organisational benefit may also result from releasing staff who are motivated to take pension rights earlier than normal pension age.

**IT** – The administering authority can process any calculations required by the proposed policy.

**Land** – No land issues arising from this item.

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

**Risk Management** – The LGPS 2014 Regulations provide no default position if a body or employer does not declare its position in relation to the scheme’s discretionary provisions. The policy requires that a robust business case is produced before any release on economic or operational grounds and, any significant initial cost that may arise through the proposed policy is reviewed by Plymouth and Cornwall financial officers.

There are no health and safety, child poverty or community safety implications.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes, these are provided within the TBTFJC report.

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**Recommendations and Reasons for recommended action:**

That the Cabinet recommends TBTFJC’s LGPS 2014 Discretions Policy to Full Council.

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**Alternative options considered and rejected:**

Adoption in full of either of the Joint Authorities’ Policies was considered as was maintaining the historical omission related to this requirement.

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**Published work / information:**

Tamar Bridge & Torpoint Ferry Joint Committee reports, 5 December 2014

LGPS Discretions Policy and Draft Minutes

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

Tamar Bridge and Torpoint Ferry Joint Committee Draft Minutes of Meeting 5 December 2014

<https://democracy.cornwall.gov.uk/documents/g5395/Printed%20minutes%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

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**Background papers:**

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**Sign off:**

Fin	ABPlac eF TC141 5006.1 2.12.14	Leg	JS /199 57	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

## **Introduction**

- 1.1 The Tamar Bridge and Torpoint Ferry are operated, maintained and improved jointly by Plymouth City Council and Cornwall Council on a 'user pays' principle, being funded by toll income using powers derived from the Tamar Bridge Act. The finances of the joint undertaking are effectively ring-fenced by the Act, and it is operated as a self-financing business. As such the LGPS Discretions Policy adopts the approach that no external financial support from the parent authorities or other source will be required to support the policy.

## **Background**

- 1.2 The TBTFJC is a Scheduled Body for the purposes of the Local Government Pension Scheme. The 1979 Tamar Bridge Act requires that the TBTFJC's participation in the scheme is administered by the Cornwall Pension Fund.
- 1.3 The 1979 Tamar Bridge Act records that the employer of staff employed for the purposes of the undertaking shall be the Authorities acting together through the TBTFJC. As with other financial matters, the TBTFJC recommends an approach in relation to pension scheme to both Authorities.
- 1.4 The Local Government Pensions Scheme 2008 was replaced in April 2014 with a new scheme, LGPS 2014. As with the 2008 scheme, LGPS 2014 requires each employer to have a policy on how the discretionary elements of the scheme will be applied. The regulations do not provide the employer with any default position that may be adopted if the approach to the discretionary elements has not been stated.
- 1.5 No Discretions Policy has previously been adopted by the TBTFJC, but no request has previously been made to consider applying a discretionary element of the Scheme, nor have circumstances arisen where the compassionate discretions may have been considered. However, without a policy, the TBTFJC is open to challenge and a policy should be adopted and management are aware of recent enquiries from staff about their eligibility for release under discretionary provisions.
- 1.6 The TBTFJC meeting of 5 December 2014 resolved to recommend the draft policy appended to this report to Plymouth City Council and Cornwall Council.

## **Organisational Risk**

- 1.7 LGPS 2014 Regulations require that employers state their position on discretionary elements of the scheme. The Regulations do not provide a default approach if the employer does not state its position. Therefore without a policy the TBTFJC risks challenge with the associated costs of addressing that challenge and costs associated with any resulting remedy.

## **Options Appraisal**

- 1.8 The "do nothing" option of TBTFJC remaining without an LGPS Discretions Policy was not considered viable without any provision for such a position within the Scheme's Regulations.
- 1.9 Officers have reviewed the two Authorities' policies in full. The two policies differ to an extent that officers could not readily create a hybrid.

It was immediately recognised that neither policy could be adopted without modifying the policies' approval processes so that the joint interest in the TBTFJC was reflected.

- 2.0 It was decided that the administering Authority's Policy should be adapted to reflect the joint nature of the undertaking

## **Business Case**

- 1.10 The TBTFJC report containing analysis and the business case for the draft policy can be found at -

<https://democracy.cornwall.gov.uk/documents/g5395/Public%20reports%20pack%2005th-Dec-2014%2010.00%20Tamar%20Bridge%20and%20Torpoint%20Ferry%20Joint%20Committee.pdf?T=10>

The report is also attached at Appendix A.

- 1.11 The report identifies the need for the TBTFJC to adopt an LGPS Discretions Policy and asks the Joint Committee to recommend adoption of a Policy based on the administering Authority's model.
- 1.12 The Cornwall model has been adapted to reflect joint ownership, with TBTFJC managers reviewing and approving the use of a discretionary element within the LGPS 2014, subject to an initial cost ceiling of £50,000 when further approval from senior officers of both authorities would be required.
- 1.13 The draft TBTF policy also extends the time period for analysis of the recovery period of upfront costs from the two years of the Cornwall Policy to three years. This extension reflects the normal progression on TBTF pay increments and provides more opportunity for realisable savings.

## **APPENDIX A: Draft TBTFJC LGPS Discretions Policy**

## **APPENDIX B: LGPS Discretions Policy: Report to TBTFJC 5 December 2014**