Report Title:	**Statutory Policies**
Contains Confidential or Exempt Information	No - Part I
Lead Member:	Councillor Julian Sharpe, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 4 July 2022
Responsible Officer(s):	Damien Pantling, Head of Pension Fund
Wards affected:	None

www.rbwm.gov.uk Royal Borough of Windsor & Maidenhead

REPORT SUMMARY

The government amended the Local Government Pension Scheme (LGPS) Regulations 2013 in September 2020 introducing new powers for administering authorities to review employer contributions, set up Debt Spreading Agreements (DSA) and set up Deferred Debt Agreements (DDA), often referred to as 'Employer Flexibilities'.

These policies were last approved by the Pension Fund Committee on 14 June 2021 alongside the requisite changes to the Funding Strategy Statement (FSS). This report addresses the periodic review and refresh of these policies now one year on, noting that no material changes have been made other than presentational.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Pension Fund Committee notes the report and;

i) Approves the updated policies set out in the Appendices to this report; and

ii) Approves publication of the policies on the Pension Fund website.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1. The Royal County of Berkshire Pension Fund has a large and diverse employer base covering both public and private sector employers. As a result, employers join and leave the scheme every year and the circumstances of employers may change significantly between valuations, affecting both funds and employers.

2.2. New employer flexibilities were introduced in The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2020 and the Pension Fund Committee approved several policies on 14 June 2021 to put these into practice. The Funding Strategy Statement was also amended to enable implementation of these policies as per the regulations. This paper addresses

the period review of these policies in line with good governance, which are briefly summarised below.

2.3. For some employers, a significant issue has been the cost of exiting the Scheme, which can be prohibitive. Prior to September 2020, the LGPS Regulations 2013 required an exit payment to be made when the last active member of a Fund employer left the Scheme, or an employer otherwise ceased to be an employer in the Fund and the employer was in deficit at the time of their exit. The introduction of deferred employer status allowed an administering authority to defer the triggering of an exit payment for a Fund employer where the authority deems this appropriate. The Fund has adopted the discretionary use of Deferred Debt Agreements and its full policy on this is set out in Appendix 1.

2.4. Additionally, a new alternative power of spreading an exit payment allows an administering authority to recover an employer's exit payment over a period of time. This may be of use where an administering authority does not consider that granting deferred employer status is in the interests of the Fund and other employers. The Fund has adopted the discretionary use of Debt Spreading Agreements and its full policy on this is set out in Appendix 1.

2.5. Administering authorities and employers may also face issues created by changes in the circumstances of employers. The contribution rates of Fund employers are normally assessed and set at triennial valuations. The administering authority, working with its actuary, will consider a variety of factors in setting an employer's contribution rate during valuations, but there may be significant changes between Fund valuations. The Fund has adopted the policy of making a discretionary change to employers' contribution rates between valuations should certain conditions apply and its full policy on this is set out in Appendix 2.

2.6. The introduction of the new powers was intended to help administering authorities manage their liabilities, ensuring that employer contribution rates are set at an appropriate level and that exit payments are managed, with steps taken to mitigate risks, where appropriate. Whilst there was no requirement on an administering authority to use any of the new powers, the amendments to the LGPS Regulations 2013 made by the 2020 Regulations required that an authority may do so only where it has set out its policy in its Funding Strategy Statement (FSS). The Fund made the required amendment to its FSS in June 2021 so this does not need further review.

3. KEY IMPLICATIONS

3.1. Back in June 2021, the Fund ensured that the policy was set out in a way that was clear and transparent to all Fund employers along with ensuring it would be applied consistently to all employers within the Fund. This required an amendment to the FSS which was already applied in June 2021 to ensure consistency and transparency.

3.2. There are no material changes to the underlying policies already approved in 2021, therefore no further implications for the Committee to consider

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1. As was considered in 2021, adopting these polices was, and still is, in the best financial interests of the Fund. Ensuring that employers can afford to meet their contributions after a change in circumstances requires a bespoke approach and these policies enable the Fund to take such an approach that serves all stakeholders best interests.

5. LEGAL IMPLICATIONS

5.1. The administering authority is required to govern and administer the Pension Scheme in accordance with the Public Service Pensions Act 2013 and associated Local Government Pension Scheme Regulations. Failure to do so could lead to challenge. Discretionary policies were introduced following the regulation amendments, this periodic review ensures that these policies still remain compliant as well as fit for purpose.

6. RISK MANAGEMENT

6.1. Two risks identified in the July 2022 risk-register (PEN0023 and PEN0024) are relevant to this report. The mitigation action(s) for these risks include the appropriate use of the two appended policies to this report

Risk Description	**Mitigating Action(s)**
PEN0023 (July 2022) Last active employee of scheduled or admitted body retires leading to cessation valuation liability calculated either on an ongoing or minimum risk basis, the latter applies to community admission type bodies without a bond or appropriate financial security in place. The full cessation at minimum risk could challenge the employer as a going concern and lead to failure.	**TREAT** 1) Employer covenant risk assessment was conducted by LPP in 2019 and presented to committee (*formerly panel*) on 19 December 2019 based on 2019 valuation results. This identified a number of key at-risk employers in the fund, those were all community admission body type employers at risk of cessation in the near future and without security in place. 2) A further review is to be commissioned by the actuary to re-evaluate these risks based on 2022 triennial figures, from this a number of employers can be contacted to discuss possible options and plans. 3) A number of employers have either had cessation arrangement decisions taken already through committee or have approached officers to discuss options, demonstrating the proactive rather than reactive nature of treating this risk. 4) Where appropriate seek to agree support from the relevant Local Authority. 5) Proper use of employer flexibilities introduced in the 2020 amended regulations (deferred debt and debt spreading agreements) to ensure that employer debts are managed appropriately in a way that benefits both the fund and the employer
PEN0024 (July 2022) Failure of an admitted or scheduled body leads to unpaid liabilities being left in the Fund to be met by others.	**TREAT** 1) Transferee admission bodies (term no longer used) were required to have bonds or guarantees in place at time of signing the admission agreement. 2) Regular monitoring of employers and follow up of expiring bonds. 3) Regular reviews of what were formally referred to as community admission bodies, which are deemed high risk as no bond or guarantee was put in place at the time of admission. 4) Proper use of employer flexibilities introduced in the 2020 amended regulations (deferred debt and debt spreading agreements) to ensure that employer debts are managed appropriately in a way that benefits both the fund and the employer

7. POTENTIAL IMPACTS

7.1. Failure to comply with Pension legislation could result in the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.

7.2. Equalities: Equality Impact Assessments are published on the council's website: There are no EQIA impacts as a result of taking this decision. A completed EQIA has been attached at Appendix 3 to this report

7.3. Climate change/sustainability: N/A

7.4. Data Protection/GDPR. GDPR compliance is included as a specific risk on the register in regard to processing and handling personal data, this is dealt with in the appendix along with the relevant mitigations.

8. CONSULTATION

8.1. Employers were appropriately consulted in the initial development of these policies. No further consultation is required given the immaterial changes made to the policies since.

9. TIMETABLE FOR IMPLEMENTATION

9.1. Ongoing.

10. APPENDICES

10.1. This report is supported by 3 Appendices:

- Appendix 1 – Deferred Debt Agreement and Debt Spreading Agreement Policies.
- Appendix 2 – Employer Contribution Review Policy
- Appendix 3 - EQIA

11. BACKGROUND DOCUMENTS

11.1. This report is supported by 1 background document:

11.2. The following link provides guidance from the LGA's Scheme Advisory Board on understanding and implementing these new employer flexibility policies: LGPS Scheme Advisory Board - Employer Flexibilities (lgpsboard.org)

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Mandatory:	*Statutory Officers (or deputy)*		

Adele Taylor	Executive Director of Resources/S151 Officer	**06/05/2022**	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	**06/05/2022**	**22/06/2022**
Deputies:			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	**06/05/2022**	**26/06/2022**
Elaine Browne	Head of Law (Deputy Monitoring Officer)	**06/05/2022**	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	**06/05/2022**	**12/05/2022**
Other consultees:			
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee	**06/05/2022**	

13. REPORT HISTORY

Decision type:	**Urgency item?**	**To follow item?**
Pension Fund Committee decision	~~Yes~~/No	~~Yes~~/No

Report Author: Damien Pantling, Head of Pension Fund

THE ROYAL COUNTY OF BERKSHIRE PENSION FUND

DEFERRED DEBT AGREEMENT (DDA) and DEBT SPREADING AGREEMENT (DSA) POLICIES

Approved: 4th July 2022
Last approved: 14th June 2021

Table of Contents

1.Introduction

This document sets out The Royal County of Berkshire Pension Fund's policy on deferred debt agreements (DDAs) and debt spreading agreements (DSAs) for exiting employers, these may be referred to elsewhere as employer flexibilities policies.

The Royal County of Berkshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS), a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (the Regulations) as amended.

When a Scheme employer becomes an exiting employer under Regulation 64, the Fund Actuary is required to carry out a valuation to determine the exit payment due from the exiting employer to the Fund, or the excess of assets in the Fund relating to that employer. Where an exit payment is due, the expectation is that the employer settles this debt immediately through a single cash payment. However, if the employer provides evidence that this is not possible, there are two alternatives available: Regulation 64(7A) enables the administering authority to enter into a deferred debt agreement with the employer while Regulation 64(7B) enables the administering authority to enter into a debt spreading agreement.

Under a DDA, the exiting employer becomes a deferred employer in the Fund (i.e. they remain as a Scheme employer but with no active members) and remains responsible for paying the secondary rate of contributions to fund their deficit. The secondary rate of contributions will be reviewed at each actuarial valuation until the termination of the agreement.

Under a DSA, the cessation debt is crystallised and spread, with interest, over a period deemed reasonable by the administering authority having regard to the views of the Fund Actuary.

Whilst a DSA involves crystallising the cessation debt and the employer's only obligation is to settle this set amount, in a DDA the employer remains in the Fund as a Scheme employer and is exposed to the same risks (unless agreed otherwise with the administering authority) as active employers in the Fund (e.g. investment, interest rate, inflation, longevity and regulatory risks) meaning that the deficit will change over time.

This policy document sets out the administering authority's policy for entering into, monitoring and terminating a DDA or DSA.

These policies have been prepared by the administering authority following advice from the Fund Actuary and following consultation with the Fund's Scheme employers. In drafting this policy document, the administering authority has taken into consideration the statutory guidance on preparing and maintaining policies on employer exit payments and deferred debt agreements which was issued by the Department for Levelling Up, Housing and Communities, and the Scheme Advisory Board's guide to employer flexibilities.

2.Approach for exiting employers

If an employer becomes an exiting employer and an exit payment is identified, the Fund should seek to receive a payment from the exiting employer equal to the exit payment in full.

The administering authority makes the exiting employer aware an exit payment is due by providing a cessation valuation report produced by the Fund Actuary. Details of the Fund's cessation policy can be found in the Fund's Funding Strategy Statement (FSS).

The default position is that the employer is required to make an exit payment in full immediately. However, if required, the exiting employer can inform the administering authority, along with evidence, that they are unable to do so and may request to enter either a DDA or DSA. If the administering authority is satisfied with the evidence provided, the DDA or DSA process may proceed.

Requests should be submitted within 21 days of receiving confirmation of the exit payment required, or otherwise the exit payment should be paid to the Fund in full within 28 days as per the Fund's Pension Administration Strategy.

Where possible, the administering authority encourages employers who are approaching exit and suspect they will have a deficit to engage with the administering authority in advance in order to understand the options that may be available. An indicative cessation report can be produced to form the basis of discussions.

2.1. Choosing a DDA or DSA

Consideration needs to be given as to which approach is the most appropriate in each case. A DDA may be appropriate if:

- The employer temporarily has no active members but expects it may return to active employer status in future. However, please note that if the plan is for active members to join within three years, then perhaps a suspension notice may be more appropriate;
- The employer wants to minimise costs by potentially benefitting from the upside of the pensions risks it would remain exposed to and therefore does not want to crystallise its debt by becoming an exiting employer. In this case the administering authority may be willing to defer crystallisation of the cessation debt for an appropriately significant period of time, subject to the strength of the employer's covenant or security provided;
- Initial affordability of the full exit payment is low but there is a prospect of increased affordability in the future, or the payment can only be afforded over a long period and therefore a DDA enables the position to be updated over time in light of changing funding positions; and/or,
- The employer has a weak covenant but is not faced with imminent insolvency and must rely on future investment returns to fully or partially fund the exit payment. The administering authority may agree that doing so over an appropriate long period is better for the Fund than risking immediate insolvency of the employer.

On the other hand, it may be more appropriate to enter a DSA if:

- The employer does not intend to employ any more active members and therefore is not expected to resume active employer status;
- The employer wishes to crystallise its debt to the Fund and therefore not be subject to any of the pension risks that could cause the amounts payable to the Fund increasing (or decreasing) in future;

- The employer has ample resources to make the payment within the near future but not immediately; and/or,
- The employer is deemed to have a very weak covenant and so the administering authority will want to try to recoup as much of the exit payment as possible before the employer becomes insolvent.

The administering authority has the right to refuse a DSA or DDA request if they believe it is not in the best interests of the Fund or the other participating employers, for example if entering a DSA or DDA increases the risk of a deficit falling to the other employers.

In considering each request for a DDA or DSA arrangement from an exiting employer the administering authority will take actuarial, covenant, legal and other advice as necessary. Proposed DDAs/DSAs will always be discussed with the employer, whether the arrangement was at the exiting employer's request or not.

Employers who may be party to either a DSA or a DDA are encouraged to discuss any potential impact on their accounting treatment with their auditors.

2.1.1. Managing of costs

On receiving a request, the administering authority will make the employer aware that any costs associated with setting up the DDA or DSA will be the responsibility of the Scheme employer, regardless of whether the administering authority agrees to enter into the agreement or not. This may include the cost of actuarial advice, legal advice, administrative costs and any additional advice required in relation to a covenant assessment or any other specialist adviser costs. If costs deviate from those initially anticipated the administering authority will keep the exiting employer up to date with any increases. The administering authority will provide information on how and when payments should be made.

2.1.2. Internal dispute resolutions

Whether a DDA or DSA arrangement is agreed or not is ultimately the decision of the administering authority. In the event of any dispute from the employer, please refer to the Fund's internal dispute resolution procedures document which is available from the Pension Fund's website.

3.Deferred Debt Agreements (DDAs)

3.1. Entering into a DDA

Under a DDA, the exiting employer becomes a deferred employer in the Fund (i.e. they remain as a Scheme employer but with no active members) and remains responsible for paying the secondary rate of contributions to fund their deficit.

3.1.1. Information required from the employer

When making a request to enter a DDA, the employer should demonstrate that they are unable to settle their exit payment immediately and provide any relevant information to support their request e.g. in relation to their covenant/ability to continue to make payments to the Fund on a continuing basis. Examples of information the employer may provide as evidence include the exiting employer's:

- most recent annual report and accounts
- latest management accounts
- financial forecasts
- details of position of other creditors

This is not an exhaustive list and the administering authority may request further evidence. In particular, the administering authority may commission a covenant assessment if insufficient evidence is provided.

3.1.2. Assessing the proposal

The administering authority will make a decision on whether to enter into a DDA within the sooner of 21 days of receiving a request or when the Pension Fund Committee are next scheduled to sit to take such a decision, but this may vary to reflect specific circumstances, for example if the administering authority chooses to request a covenant assessment then the process may take longer.

To reach a decision the administering authority will consider:

- The size of the exiting employer's residual liabilities relative to the size of the Fund;
- The size of the exit payment relative to the costs associated with entering into a DDA;
- Whether a debt spreading agreement or suspension notice would be more appropriate (see specific circumstances below);
- Any information provided by the exiting employer to support their covenant strength, including any information on a guarantor or other form of security that the employer may be able to put forward to support their covenant;
- The results of any covenant review carried out by the Fund Actuary or a covenant specialist;
- The exiting employer's accounts;
- The potential impact on the other employers in the Fund; and
- The opinion of the Fund Actuary.

The administering authority is not obliged to accept an exiting employer's request for a DDA. For example, in the following circumstances the administering authority may consider a DDA not to be appropriate:

- the exiting employer could reasonably be expected to settle their exit payment in a single amount;
- it is known or likely that another active member will come into employment in the three years following the cessation date (in these cases a suspension notice would be considered more appropriate than a DDA); or

- the administering authority is concerned that where a DDA is entered, that the employer could not afford the impact of any negative experience which would result in an increase in the required secondary rate of contributions and an increase in the employer's overall deficit (in these cases a debt spreading agreement would be considered more appropriate as the payments are fixed throughout the term of the agreement).

Once all information has been considered the administering authority will consult with the exiting employer as required under the Regulations. If the administering authority does not wish to enter into a DDA they will explain to the exiting employer their reasoning and any alternatives (e.g. a debt spreading agreement, suspension notice or indeed require the exit payment in full). If the administering authority accepts the request to enter into a DDA, they will notify their legal advisers and Fund Actuary. If the administering authority has concerns about the level of risk arising due to the DDA, the administering authority may only accept the request subject to a one-off cash injection being made by the exiting employer or security being provided as an additional guarantee.

3.1.3. Setting up a DDA

Once agreed that a DDA is permitted, the terms of the DDA will be agreed between the administering authority and the exiting employer and will be set out in a formal legal agreement.

The administering authority and the exiting employer (with the assistance of the Fund Actuary) will negotiate an appropriate duration of the agreement which will consider the exiting employer's affordability and anticipated strength of covenant over the agreement period. If the exiting employer has sufficient reserves, the administering authority may require an immediate cash payment so that the DDA can start from an acceptably stronger funding position.

The Fund Actuary will calculate secondary contributions on an appropriate basis as agreed with the administering authority and following consultation with the exiting employer, taking into account any cash payments made in advance. The secondary contributions will be reviewed at each actuarial valuation and certified as part of the Fund's Rates and Adjustments Certificate until the termination of the agreement. Therefore, payments throughout the agreement are not known in advance and may increase or decrease at each valuation to reflect changes in the employer's funding position.

The timeline from consultation with the exiting employer to entering into a DDA to the signing of the agreement will vary. Where possible all parties will aim to have the agreement signed within 3 months, although there may be circumstances where timings may vary.

Once finalised, the employer will become a deferred employer in the Fund and will have an obligation to pay their secondary contributions as certified by the Fund Actuary. The responsibilities of the deferred employer will be set out in the legal agreement, and these will include the requirements to:

- comply with all the requirements on Scheme employers under the Regulations except the requirement to pay a primary rate of contributions but including any additional applicable costs, such as strain costs as a result of ill health retirements;
- adopt the relevant practices and procedures relating to the operation of the Scheme and the Fund as set out in any employer's guide produced by the administering authority;
- comply with all applicable requirements of data protection law relating to the Scheme and with the provisions of any data-sharing protocol produced by the administering authority and provided to the deferred employer;
- promptly provide all such information that the administering authority may reasonably request in order to administer and manage the agreement; and

- give notice to the administering authority, of any actual or proposed change in its status, including take-over, change of control, reconstruction, amalgamation, insolvency, winding up, liquidation or receivership or a material change to its business or constitution.

The deferred employer should consult with their auditors about any impacts the DDA is expected to have on their accounting requirements.

3.2. Monitoring a DDA

A deferred debt agreement is subject to the ongoing approval of the administering authority. The administering authority reserves the right to terminate the agreement should they become concerned about a significant weakening in the deferred employer's covenant or a significant change in funding position. Conversely, if there was an improvement in the employer's circumstance then the administering authority and employer may agree to amend the terms of the agreement.

The administering authority will monitor a DDA in the following ways:

Changing funding position

The administering authority will request regular, and at least annual, updates of the deferred employer's funding position in order to review the progress of the DDA. The costs of the regular reviews will fall to the deferred employer as part of the terms for putting in place a DDA.

If the funding position changes by more than 10% (in absolute terms) from the previous review, then the administering authority may engage with the deferred employer to discuss a possible review of the DDA.

Changing employer covenant

The administering authority monitors the level of covenant of its Scheme employers on an ongoing basis. In particular, the administering authority commissions an employer risk review report from the Fund Actuary each actuarial valuation cycle which includes obtaining credit ratings from credit rating agencies.

Once an employer enters into a DDA, the administering authority will review the employer's covenant on a regular basis and details of this will be agreed for each DDA on an individual basis. If a deferred employer's covenant deteriorates, the administering authority may issue a notice to review and possibly terminate the agreements.

In addition, if a deferred employer requests an extension to the duration of the DDA the administering authority will consider an updated covenant review, amongst other factors, in assessing the proposal.

As a condition of entering into a DDA, the deferred employer is required to engage with the administering authority to assist with monitoring the level of covenant, for example by providing information requested by the administering authority in a timely manner.

Timeliness of payments

The agreement will set out whether payments are made on a monthly or annual basis, and the administering authority will monitor if contributions are paid on time. Successive late or in particular missing payments would contribute towards a notice being issued to the deferred employer to review and possibly terminate the agreement.

Strength of guarantee or security

If a particular funding basis has been used by the Fund Actuary on the understanding that there is a particular security in place (e.g. another employer in the Fund willing to underwrite the residual deferred

and pensioner liabilities when the employer formally exits) then the administering authority will check there has been no change to the security at agreed regular intervals and as a minimum at each valuation cycle. The Fund Actuary may change the funding basis used to set the deferred employer's contributions depending on the strength of the security in place.

Notifiable events from the deferred employer

The deferred employer has a responsibility to make the administering authority aware of any changes in their ability to make payments or of a change in circumstance (e.g. a change of the guarantee in place mentioned above). Information should be shared with the administering authority at any time throughout the agreement to enable the administering authority to consider whether a review of the agreement should be carried out.

3.3. Terminating a DDA

3.3.1. Events that may terminate a DDA

As set out in Regulation 64(7E), the DDA terminates on the first of the following events:

- The deferred employer enrols new active members;
- The duration of the agreement has elapsed;
- The take-over, amalgamation, insolvency, winding up or liquidation of the deferred employer;
- The administering authority serves a notice on the deferred employer that it is reasonably satisfied that the employer's ability to meet the contributions payable under the DDA has weakened materially (or is likely to in the next 12 months); or,
- A review of the funding position of the deferred employer is carried out at an updated calculation date and the Fund Actuary assesses that the deferred employer has paid sufficient secondary contributions to cover what would be due if the deferred employer terminated at the updated calculation date; in other words, the review reveals no deficit remains on the relevant calculation basis.

The deferred employer can also choose to terminate the DDA at any point. Notice should be given to the administering authority at the earliest opportunity.

Termination clauses will be included in the formal DDA legal agreement.

3.3.2. Process of termination

Once a termination of the DDA has been triggered, the deferred employer becomes an exiting employer under Regulation 64(1). The administering authority will obtain from the Fund Actuary an exit valuation calculated at the date the DDA terminates, and a revised rates and adjustments certificate setting out the exit payment due from the exiting employer or the excess of assets in the Fund relating to the exiting employer (which would then be subject to the Fund's exit credit policy).

Once the exit payment has been made in full, the exiting employer has no further obligation to the Fund.

If the termination has been triggered because the deferred employer has enrolled new active members, then the deferred employer becomes an active employer in the Fund and an immediate exit payment may not be required; this may instead be incorporated in the revised rates and adjustments certificate that will be provided in respect of the active employer. The employer remains responsible for all previously accrued liabilities and the revised contributions required from the active employer will be calculated in line with the Fund's FSS.

If the termination has been triggered because a review of the funding position of the deferred employer reveals that the secondary contributions paid to date by the deferred employer are sufficient to cover what would be due if the deferred employer terminated at the updated calculation date, then the deferred employer becomes an exiting employer and no further payments are required. The exiting employer has no further obligation to the Fund. Where there is a surplus, an exit credit may be payable as determined by the administering authority and in line with the Fund's exit credit policy.

4.Debt Spreading Agreements (DSAs)

4.1. Entering a DSA

Under a DSA, the cessation debt is crystallised and spread, with interest, over a period deemed reasonable by the administering authority having regard to the views of the Fund Actuary and following discussion with the exiting employer. The payments are fixed and are not reviewed at each actuarial valuation.

4.1.1. Information required from the employer

When making a request to enter a DSA, the exiting employer should demonstrate that they are unable to settle their exit payment immediately and provide any relevant information to support their request e.g. in relation to their covenant/ability to continue to make payments to the Fund. Examples of information the exiting employer may provide as evidence include the employer's:

- Most recent annual report and accounts
- Latest management accounts
- Financial forecasts
- Details of position of other creditors

This is not an exhaustive list and the administering authority may request further evidence. In particular, the administering authority may commission a covenant assessment if insufficient evidence is provided.

4.1.2. Assessing the proposal

The administering authority will make a decision on whether to enter into a DSA within 21 days of receiving a request or when the Pension Fund Committee are next scheduled to sit to take such a decision, but this may vary to reflect specific circumstances, for example if the administering authority chooses to request a covenant assessment then the process may take longer.

To reach a decision the administering authority will consider:

- The size of the exit payment relative to the exiting employer's business cashflow;
- The size of the exit payment relative to the costs associated with entering into a DSA;
- Whether a deferred debt agreement or suspension notice would be more appropriate;
- Any information provided by the employer to support their covenant strength;
- The results of any covenant review carried out by the Fund Actuary or a covenant specialist;
- The merit of any guarantees from another source and whether this is deemed sufficient to cover the outstanding payments should the exiting employer fail;
- The exiting employer's accounts;
- The potential impact on the other employers in the Fund; and
- The opinion of the Fund Actuary.

The administering authority is not obliged to accept an exiting employer's request for a DSA. For example, in the following circumstances the administering authority may consider a DSA not to be appropriate:

- The exiting employer could reasonably be expected to settle their exit payment in a single amount;
- There is doubt that the exiting employer can operate as a going concern during the spreading period; or

- The exiting employer cannot afford the speeded payments over the maximum spreading period or is requesting a spreading period longer than the maximum (see below).

The structure of the DSA is at the discretion of the administering authority having taken advice from the Fund Actuary and consulted with the exiting employer. The structure should protect all other employers in the Fund whilst being achievable for the exiting employer. The structure of the DSA will take into consideration:

- The period that the payments will be spread. This is expected to be no more than 5 years. For longer periods it may be more appropriate to consider a deferred debt agreement but the administering authority reserves the right to set whatever spreading period they deem appropriate provided they are satisfied with the exiting employer's ability to meet the payments over that period. The length of the spreading period will be set as to be as short as possible whilst remaining affordable for the exiting employer;
- The interest rate applicable to the spread payments. In general, this will be set with reference to the discount rate in the exiting employer's cessation valuation report;
- The regularity of the payments and when they fall due;
- Other costs payable; and
- The responsibilities of the exiting employer during the spreading period (for example, to make payments on time and to notify the administering authority of a change in circumstances that could affect their ability to make payments).

Once all information has been considered the administering authority will consult with the exiting employer as required under the Regulations. If the administering authority does not wish to accept the exiting employer's request to enter into a DSA they will explain their reasoning and any alternatives (e.g. a DDA, suspension notice or indeed require the exit payment in full). If the administering authority accepts the request to enter into a DSA, they will notify their legal advisers and Fund Actuary. If the administering authority has concerns about the level of risk arising due to the DSA, the administering authority may only accept the request subject to a one-off cash injection being made by the exiting employer or security being provided as an additional guarantee.

4.1.3. Setting up a DSA

The administering authority and the exiting employer, with the assistance of the Fund Actuary, will then negotiate the structure of the schedule of payments which takes into consideration the exiting employer's affordability and an appropriate period of the spreading.

The schedule of payments will be set out in a revised rates and adjustments certificate prepared by the Fund Actuary. There may be circumstances where timings may vary, however, in general the certificate will be prepared and provided to the exiting employer within 14 days of agreeing the structure of the schedule of payments with the exiting employer.

4.2. Monitoring a DSA

Over the term that the cessation debt payment is spread, the administering authority will monitor the ability and willingness of the exiting employer to pay the schedule of contributions in the revised rates and adjustments certificate. While it is expected the schedule of payments would be fixed for the spreading period, the administering authority may alter the structure of the schedule at any time if there is a change in the exiting employer's circumstances or indeed, if the exiting employer wanted to pay the remaining balance. This will be agreed on a case-by-case basis and set out in a side agreement as required.

The administering authority will be in regular contact with the exiting employer until their obligations to the Fund are removed when all payments set out in the schedule of payments are made.

Examples of factors which will be monitored are set out below. Should any of these raise any concerns with the administering authority then the DSA may be reviewed and/or terminated.

Changing employer covenant

The administering authority will monitor the ability of the exiting employer to make their set payments by monitoring publicly available information such as credit ratings and/or company accounts as well as keeping in regular contact, at least annually, with the exiting employer to ensure that the payments can be met.

As a condition of entering into a DSA, the exiting employer is required to engage with the administering authority to assist with monitoring the level of covenant, for example by providing information requested by the administering authority in a timely manner.

Timeliness of payments

The DSA will set out whether payments are made on a monthly or annual basis and how long for, and the administering authority will monitor if contributions are paid on time. Successive late or in particular missing payments would contribute towards further interest charges or the spreading agreement may be reviewed and/or terminated.

Strength of guarantee or security

If a particular schedule of payments has been agreed between the administering authority and the exiting employer on the understanding that there is a particular security in place (e.g. another employer in the Fund willing to pay the remaining balance or a fixed charge on property that covers the remaining balance) then the administering authority will check there has been no change to the security regularly. The frequency of these reviews may reduce as the level of outstanding debt reduces. The administering authority with advice from the Fund Actuary may change the schedule of payments depending on the strength of the security in place. The exiting employer would be consulted prior to any changes.

Notifiable events from the exiting employer

The exiting employer has a responsibility to make the administering authority aware of any changes in their ability to make payments or of a change in circumstance that affects their ability to make payments. Information should be shared with the administering authority at any time throughout the agreement to enable the administering authority to consider whether a review of the agreement should be carried out.

4.3. Terminating a DSA

4.3.1. Events that may terminate a DSA

On paying all the payments set out in the revised rates and adjustments certificate the exiting employer will no longer have any obligations to the Fund.

If the administering authority believes that the exiting employer may not be able to make any of their remaining payments, the administering authority reserves the right to review and/or terminate the DSA to ensure it is appropriate for the Fund and does not adversely impact the other participating employers.

The exiting employer may also request to terminate the DSA early, in which case an immediate payment of the outstanding amounts set out in the contribution schedule should be paid.

4.3.2. Process of termination

In the event of a DSA being amended or terminated the administering authority will communicate this to the exiting employer along with reasons for the decision. Before the decision is made the administering authority will consult with the exiting employer about their change in circumstances and also take advice from the Fund Actuary.

If the DSA must be terminated prematurely the administering authority will seek to obtain from the exiting employer as much of the outstanding exit payments as possible or look at alternative arrangements such as a deferred debt agreement.

Once the exit payment has been made in full, the exiting employer has no further obligation to the Fund.

EMPLOYER CONTRIBUTION REVIEW POLICY

Approved: 4th July 2022
Last approved: 14th June 2021

Contents

1. Introduction

This document sets out The Royal County of Berkshire Pension Fund's policy on amending the contribution rates payable by an employer (or group of employers) between formal triennial funding valuations.

The Royal County of Berkshire Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS), a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (the Regulations) as amended.

Under Regulation 62, The Royal Borough of Windsor and Maidenhead, as the administering authority for the Fund, is required to obtain a formal actuarial valuation of the Fund and a rates and adjustments certificate setting out the contribution rates payable by each Scheme employer for a three-year period beginning 1 April following that in which the valuation date falls.

It is anticipated for most Scheme employers that the contribution rates certified at the formal actuarial valuation date will remain payable for the triennial period of the rates and adjustments certificate. However, there may be circumstances where a review of the contribution rates payable by an employer (or a group of employers) under Regulation 64A is deemed appropriate by the administering authority. This policy document sets out the administering authority's approach to considering the appropriateness of a review and the process in which a review will be conducted.

This policy has been prepared by the administering authority following advice from the Fund Actuary and following consultation with the Fund's Scheme employers. In drafting this policy document, the administering authority has taken into consideration the statutory guidance on drafting a contribution review policy which was issued by the Department for Levelling Up, Housing and Communities (DLUHC), and the Scheme Advisory Board's guide to employer flexibilities.

Throughout this document, any reference to the review of a Scheme employer's contribution rates will also mean the single review of the contribution rates for a group of Scheme employers (for example if the employers are pooled for funding purposes).

Note that where a Scheme employer seems likely to exit the Fund before the next actuarial valuation, then the administering authority can exercise its powers under Regulation 64(4) to carry out a review of contributions with a view to providing those assets attributable to the Scheme employer are equivalent to the exit payment that will be due from the Scheme employer. These cases do not fall under this contribution review policy.

2. The review process

The events that may trigger a review are set out in the 'Triggering a contribution review section. The general process for assessing and conducting a review is set out below. Timescales may vary in practice depending on each individual circumstance, but the timeline below provides a rough guide of the administering authority's general expectation.

Following completion of the review process, the administering authority may continue to monitor the Scheme employer's position to ensure the revised contribution rate remains appropriate (where a review was completed) or to ensure the Scheme employer's situation does not change such that a review previously deemed not appropriate becomes appropriate. As part of its participation in the Fund, any Scheme employer is expected to support any reasonable information requests made by the administering authority in order to allow effective monitoring.

2.1. Timeline where initiation is made by the administering authority

Where the review is initiated by the administering authority (i.e. under conditions (i) and (ii) in the 'Triggering a contribution review section), the first stage after the administering authority has conducted its analysis is to engage with the Scheme employer and provide written evidence for requiring the review.

The Scheme employer will be given 28 days from the later of the date of receipt of the evidence provided by the administering authority and the date of receipt of the results of the formal contribution review to respond to the administering authority on the proposal. Should no challenge be accepted within this period then the administering authority will treat the proposal as accepted and the revised contribution rates will come into effect from the proposed review date.

Should the Scheme employer challenge the administering authority's proposal, then the administering authority will continue to engage with the Scheme employer in order to reach an agreeable decision. If no decision has been agreed within 3 months of the initial proposal, then the administering authority may proceed with the revised contribution rates. Further details of the appeals process for the Scheme employer is set out in the 'Appeals process' section.

Although the ultimate decision for review belongs to the administering authority, the administering authority is committed to engaging with any Scheme employer following the initial proposal to ensure that any change is agreeable to all relevant parties.

2.2. Timeline where initiation is made by the Scheme employer

Where the review is initiated by the Scheme employer, the process begins once the Scheme employer has provided all the relevant documents required as set out in the 'Triggering a contribution review section.

The administering authority will aim to provide a response to the Scheme employer within 28 days from the date of receipt. This will depend on the quality of the documents provided and any need from the administering authority to request further information from the Scheme employer. The administering authority will provide a written response setting out the issues considered in reviewing the request from the Scheme employer, together with the outcome and confirming the next steps in the process.

2.3. Responsibility of costs

Where the review of contributions has been initiated by the administering authority, any costs incurred as part of the review in relation to the gathering of evidence to present to the Scheme employer and the actuarial costs to commission the contribution review will be met by the Fund. This is except for any costs incurred as a result of extra information requested by the Scheme employer which is not ordinarily anticipated to be incurred by the administering authority as part of the review. These exception costs would be recharged to the Scheme employer.

Any costs incurred as a result of a review initiated by the Scheme employer will be the responsibility of the Scheme employer, regardless of the outcome of the review proceeding or not. This may include specialist adviser costs involved in assessing whether or not the request for review should be accepted and the costs in relation to carrying out the review.

3. Triggering a contribution review

As set out in Regulation 64(A)(1)(b), a review of an employer's contribution rate between formal actuarial valuations may only take place if one of the following conditions are met:

(i) It appears likely to the administering authority that the amount of the liabilities arising or likely to arise has changed significantly since the last valuation;

(ii) It appears likely to the administering authority that there has been a significant change in the ability of the Scheme employer or employers to meet the obligations of employers in the Scheme; or

(iii) A Scheme employer or employers have requested a review of Scheme employer contributions and have undertaken to meet the costs of that review.

Conditions (i) and (ii) are triggered by the administering authority and (iii) by the Scheme employer. The key considerations under each of the conditions are detailed below.

It should be noted that the conditions are as set out in the Regulations, therefore, do not allow for a review of contributions where the trigger is due to a change in actuarial assumptions or asset values.

3.1. change in the amount of the liabilities arising or likely to arise

Examples of changes which may trigger a review under this condition Include, but are not limited to:

- Restructuring of a council due to a move to unitary status;
- Restructuring of a Multi Academy Trust;
- A significant outsourcing or transfer of staff;
- Any other restructuring or event which could materially affect the Scheme employer's membership;
- Changes to whether a Scheme employer is open or closed to new members, or a decision which will restrict the Scheme employer's active membership in the Fund in future;
- Significant changes to the membership of an employer, for example due to redundancies, significant salary awards, ill health retirements or a large number of withdrawals;
- Establishment of a wholly owned company by a scheduled body which does not participate in the LGPS.

As part of its participation in the Fund, Scheme employers are required to inform the administering authority of any notifiable events as set out in the Fund's Pensions Administration Strategy, service agreements and/or admission agreements. Through this notification process, the administering authority may identify events that merit a review of contributions.

In addition, the administering authority may initiate a review of contributions if they become aware of any events that they deem could potentially change the liabilities of the Scheme employer. This also applies to any employers for whom a review of contributions has already taken place as a further change in liabilities may merit another review.

3.2. change in the ability of the Scheme employer to meet its obligations

Examples of changes which may trigger a review under this condition include, but are not limited to:

- Change in employer legal status or constitution;
- Provision of, or removal of, security, bond, guarantee or some other form of indemnity by a Scheme employer;
- A change in a Scheme employer's immediate financial strength;
- A change in a Scheme employer's longer-term financial outlook;
- Confirmation of wrongful trading;
- Conviction of senior personnel;

- Decision to cease business;
- Breach of banking covenant;
- Concerns felt by the administering authority due to behaviour by a Scheme employer, for example, a persistent failure to pay contributions (at all, or on time), or to reasonably engage with the administering authority over a significant period of time.

The administering authority monitors the level of covenant of its Scheme employers on an ongoing basis. In particular, the administering authority will commission an employer risk review report from the Fund Actuary on a regular basis. Through this analysis, the administering authority can identify any Scheme employers that might be considered as high risk and whether any Scheme employers have had a significant change in riskiness. This in turn may affect the administering authority's views on whether the ability of a Scheme employer to meet its obligations to the Fund has changed significantly and therefore whether this change may merit a contribution review. This also applies to any employers for whom a review of contributions has already taken place as a further change in an employer's ability to meet its obligations may merit another review.

3.3. request from the Scheme employer for a contribution review

A request can be made by a Scheme employer for a review of contribution rates outside of the formal actuarial process. This must be triggered by one of the following two conditions:

- There has been a significant change in the liabilities arising or likely to arise; and/or
- There has been a significant change in the ability of the Scheme employer to meet its obligations to the Fund.

Any requests not arising from either of these conditions will not be considered by the administering authority. Requests by a Scheme employer are limited to one review per calendar year.

Except for any cases where the Scheme employer is expected to cease before the next rates and adjustments certificate comes into effect, the administering authority will not accept a request for a review of contributions with an effective date within the 12 months preceding the next rates and adjustments certificate. It is expected in these cases that any requests can be factored into the formal review and any benefits of carrying out a review just prior to the commencement of a new rates and adjustments certificate are outweighed by the costs and resource required. If a request is made with an effective date within the 12 months preceding the next rates and adjustments certificate, the administering authority will instead reflect these changes in the actuarial valuation and the rates being certified and taking effect the year following the valuation date.

Information required from the Scheme employer

In order to submit a request for a review of contribution rates outside of the formal actuarial valuation process, a Scheme employer must provide the following to the Fund:

- Where a review is sought due to a potential change in the Scheme employer's liabilities:
    - Membership data or details of membership changes to evidence that the liabilities have materially changed, or are likely to change;
- Where a review is sought due to a potential change in the ability of the Scheme employer to meet its obligations:
    - The most recent annual report and accounts for the Scheme employer;
    - The most recent management accounts;
    - Financial forecasts for a minimum of three years;
    - The change in security or guarantee to be provided in respect of the Scheme employer's liabilities.

The administering authority may require further evidence to support the request and this will be requested from the Scheme employer on a case-by-case basis.

4. Assessing the appropriateness of a review

The following general considerations will be considered by the administering authority, regardless of the condition under which a review is requested:

- The expected term for which the Scheme employer will continue to participate in the Fund;
- The time remaining to the next formal funding valuation;
- The cost of the review relative to the anticipated change in contribution rates and the benefit to the Scheme employer, the Fund and/or the other Scheme employers; and
- The anticipated impact on the Fund and the other Fund employers, including the relative size of the change in liabilities and contributions and any change in the risk borne by other Fund employers.

Where the review has been requested by the Scheme employer, the administering authority will also consider the information and evidence put forward by the Scheme employer. This may be with advice from the Fund Actuary where required and will include an assessment of whether there is a reasonable likelihood that a review would result in a change in the Scheme employer's contribution rates. The administering authority will also consider whether it is necessary to consult with any other Scheme employer e.g. where a guarantee may have been provided by another Scheme employer.

Whether any changes require the administering authority to exercise its powers to carry out a contribution review will be assessed on a case-by-case basis and with advice from the Fund Actuary and may involve other considerations as deemed appropriate for the situation. The final decision of whether a review of contribution rates will be carried out rests with the administering authority after, if necessary, taking advice from the Fund Actuary. Should a Scheme employer disagree with the administering authority, then details of the Appeals process is set out later in this document

4.1. Appropriateness of a review due to change in liabilities

This will be subject to the following considerations in addition to the general considerations set out above:

- The size of the Scheme employer's liabilities relative to the Fund and the extent to which they have changed;
- The size of the event in terms of membership and liabilities relative to the Scheme employer and/or the Fund; and
- The administering authority's assessment of the ability of the Scheme employer to meet its obligations.

4.2. Appropriateness of a review due to change in ability to meet its obligations to the Fund

In assessing whether or not an administering authority will exercise its powers to review a Scheme employer's contribution rates under this condition, the administering authority will take into account the general considerations set out earlier in this section and:

- The results of any employer risk analysis provided by the Fund Actuary or a covenant specialist;
- The perceived change in the value of the indemnity to the administering authority, relative to the size of the Scheme employer's liabilities.

It is acknowledged that each Scheme employer's situation may differ and therefore each decision will be made on a case-by-case basis. Further considerations to that set out above may be relevant and will be taken into account by the administering authority as required.

5. Method used for reviewing contribution rates

If a review of contribution rates is agreed, or if an indicative review is required to help inform the review process, the administering authority will take advice from the Fund Actuary on the calculation of the Scheme employer's revised contribution rates. This will take into account the events leading to the anticipated liability change and any impact of the changes in the Scheme employer's ability to meet its obligations to the Fund.

The starting point for reviewing a Scheme employer's contribution rates will in some cases be the most recent actuarial valuation. The table below sets out the general approach that will be used when carrying out this review.

Once a review of contribution rates has been agreed, unless the impact of amending the contribution rates is deemed immaterial by the Fund Actuary, then the results of the review will be applied with effect from the agreed review date.

	General approach
Member data	In some cases, where the review is happening during or shortly after the valuation, the most recent actuarial valuation data will be used as a starting point. In most cases, given the review is due to an anticipated change in membership, the administering authority and Scheme employer should work together to provide updated membership data for use in calculations. There may be instances where updated membership data is not required if it is deemed proportionate to use the most recent actuarial valuation data without adjustment. Where the cause for a review is due to a change in a Scheme employer's ability to meet its obligations to the Fund, updated membership data may not need to be used unless any significant membership movements since the previous Fund valuation are known.
Approach to setting assumptions	This will be in line with that adopted for the most recent actuarial valuation, and in line with that set out in the Fund's Funding Strategy Statement.
Market conditions underlying financial assumptions	Unless an update is deemed more appropriate by the Fund Actuary, the market conditions will be in line with those at the most recent actuarial valuation.
Conditions underlying demographic assumptions	Unless an update is deemed more appropriate by the Fund Actuary, the conditions will be in line with those at the most recent actuarial valuation.
Funding target	The funding target adopted for a Scheme employer will be set in line with the Fund's Funding Strategy Statement, which may be different from the approach adopted at the most

	recent actuarial valuation due to a change in the Scheme employer's circumstances.
Surplus/deficit recovery period	The surplus/deficit recovery period adopted for a Scheme employer will be set in line with the Fund's Funding Strategy Statement, which may be different from the approach adopted at the most recent actuarial valuation due to a change in the Scheme employer's circumstances.

The Fund Actuary will be consulted throughout the review process and will be responsible for providing revised rates and adjustments certificate. Any deviations from the general approaches set out above will be agreed by the administering authority and the Fund Actuary.

6. Appeals process

In the event of any dispute relating to this policy and the administering authority's use of the new powers set out in The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2020, Scheme employers will have a right of appeal under the 'normal' Internal Dispute Resolution Procedures (IDRP) as set out in Regulations 74 to 79 of the LGPS Regulations 2013. A guide to the IDRP process along with an application form can be found here. (Please note the process will be adapted to account for the nature of the appeal being made by a Scheme employer as opposed to being made directly by a Scheme member).

6.1. General Principles

A Scheme employer may appeal against any decision taken by the administering authority to change, amend or update their employer contribution rate at any time in line with this policy. The administering authority will have regard to the following principles at all times:

(i) The process and any amendments to the appeals process will be subject to consultation with employers;
(ii) The appellant will be granted a reasonable period to make any appeal following a decision by the administering authority in order to prepare the basis of their appeal;
(iii) The process, including the timescales and requirements for evidence will be easily accessible, clearly signposted and transparent; and
(iv) Any review of a decision will be considered independently from those directly involved in the original decision.

In making an appeal, the Fund employer will be required to evidence one of the following:

(i) A deviation from the published policy or process by the administering authority that has led to their appeal; and/or
(ii) Any further information (or interpretation of information provided) which could influence the outcome, noting new evidence to be considered at the discretion of the administering authority.

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Essential information

Items to be assessed: (please mark 'x')

Strategy		**Policy**	**x**	**Plan**		**Project**		**Service/Procedure**	

Responsible officer	Damien Pantling	**Service area**	Pension Fund	**Directorate**	Finance

Stage 1: EqIA Screening (mandatory)	Date created: 05/05/2022	**Stage 2 : Full assessment (if applicable)**	N/A

Approved by Head of Service / Overseeing group/body / Project Sponsor:
"I am satisfied that an equality impact has been undertaken adequately."

Signed by (print):

Dated:

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Guidance notes

What is an EqIA and why do we need to do it?

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqIAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqIA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

What are the "protected characteristics" under the law?

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

What's the process for conducting an EqIA?

The process for conducting an EqIA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Stage 1 : Screening (Mandatory)

1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?
The government amended the Local Government Pension Scheme (LGPS) Regulations 2013 in September 2020 introducing new powers for administering authorities to review employer contributions, set up Debt Spreading Agreements (DSA) and set up Deferred Debt Agreements (DDA), often referred to as 'Employer Flexibilities'. These policies were last approved by the Pension Fund Committee on 14 June 2021 alongside the requisite changes to the Funding Strategy Statement (FSS). This report addresses the periodic review and refresh of these policies now one year on, noting that no material changes have been made other than presentational.

1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as "Not Relevant".

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Protected characteristics	Relevance	Level	Positive/negative	Evidence
Age			N/A	*Key data: The estimated median age of the local population is 42.6yrs [Source: ONS mid-year estimates 2020].* *An estimated 20.2% of the local population are aged 0-15, and estimated 61% of the local population are aged 16-64yrs and an estimated 18.9% of the local population are aged 65+yrs. [Source: ONS mid-year estimates 2020, taken from Berkshire Observatory]*
Disability			N/A	
Gender re-assignment			N/A	
Marriage/civil partnership			N/A	
Pregnancy and maternity			N/A	
Race			N/A	*Key data: The 2011 Census indicates that 86.1% of the local population is White and 13.9% of the local population is BAME. The borough has a higher Asian/Asian British population (9.6%) than the South East (5.2%) and England (7.8%). The forthcoming 2021 Census data is expected to show a rise in the BAME population. [Source: 2011 Census, taken from Berkshire Observatory]*
Religion and belief			N/A	*Key data: The 2011 Census indicates that 62.3% of the local population is Christian, 21.7% no religion, 3.9% Muslim, 2% Sikh, 1.8% Hindu, 0.5% Buddhist, 0.4% other religion, and 0.3% Jewish. [Source: 2011 Census, taken from Berkshire Observatory]*
Sex			N/A	*Key data: In 2020 an estimated 49.6% of the local population is male and 50.4% female. [Source: ONS mid-year estimates 2020, taken from Berkshire Observatory]*
Sexual orientation			N/A	

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Outcome, action and public reporting

Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No	No	Damien Pantling	N/A
Does the strategy, policy, plan etc require amendment to have a positive impact?	No	No	Damien Pantling	N/A

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered "No" or "Not at this Stage" to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Stage 2 : Full assessment

2.1 : Scope and define

2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.
N/A – No full assessment required

2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? *List those groups who the work is targeting/aimed at.*
N/A – No full assessment required

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

2.2 : Information gathering/evidence

2.2.1 What secondary data have you used in this assessment? *Common sources of secondary data include: censuses, organisational records.*

N/A – No full assessment required

2.2.2 What primary data have you used to inform this assessment? *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.*

N/A – No full assessment required

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Eliminate discrimination, harassment, victimisation

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Advance equality of opportunity

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement

Foster good relations

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates. *These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*
N/A – No full assessment required

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Governance Compliance Statement