

## SPN/LG CIRCULAR No.4/2009

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The Secretary General, Convention of Scottish Local Authorities

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The Chief Executive, Scottish Local Authorities

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The Chief Executive, Water Authorities

Your ref:  
Our ref: LGT/01/24/00

The Principal Reporter, Scottish Children's Reporter  
Administration

29 May 2009

The Chief Executive, Scottish Environment Protection Agency

The Director General, Strathclyde Passenger Transport  
Executive

The Clerk, Strathclyde Passenger Transport Authority

The Chief Executive/Director, Area Tourist Boards

Dear Sir/Madam

### **THE LOCAL GOVERNMENT ( DISCRETIONARY PAYMENTS AND INJURY BENEFITS) (SCOTLAND) AMENDMENT REGULATIONS 2009 (SSI 2009 No. 187)**

1. I am writing about the above Regulations which amend the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 ("the Injury Benefit Regulations"). Regulations 3 to 6, 9 to 19, 21 to 25 and 28 are consequential to the Local Government Pension Scheme 2009 constituted by the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 ("the Administration Regulations") and the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 ("the Benefits Regulations") or make other minor amendments.
2. These Regulations were laid in the Scottish Parliament on 15<sup>th</sup> May 2009. With the exception of Regulation 5(b) and (d), these Regulations come into force on 8<sup>th</sup> June 2009 and have effect from 1<sup>st</sup> April 2009. Regulation 5(b) and (d) comes into force on 1<sup>st</sup> April 2010.
3. Copies of these Regulations can be accessed via the Office of Public Sector Information website using the following link. Additional copies can also be purchased from the Stationery Office.

[SSI 2009 No. 187](#) and [Executive Note](#)

## **Policy Objectives**

4. The main changes introduced by these regulations are as follows;
  - to make provision for the payment, at the employer's discretion, of a one-off limited lump sum to an employee in circumstances where the employment is terminated on grounds of ill-health but the employee is not eligible to receive ill-health retirement benefits because they are not *permanently* incapable of discharging their duties (Reg 26);
  - to increase the compensation payable to employees who cease to be employed by reason of redundancy or business efficiency from 66 weeks' pay to 104 weeks' pay to mirror the provisions in comparable schemes in England and Wales (Reg 20);
  - to provide that any lump sums and annual compensation arising from the award of compensatory added years continue to be calculated at 3/80<sup>th</sup> and 1/80<sup>th</sup> (respectively) of the person's pay (Regs 7 and 8);

(No additional monies are to be made available to local authorities in respect of these discretionary payments. Any payments would have to be met from within existing budgets.)

- to allow administering authorities to recover additional costs from employing authorities which have been incurred and were attributable to the authorities' level of performance (Reg32), and
- to enable administering authorities to set out procedures for liaising and communicating with employing authorities and to establish levels of performance which they and their employing authorities were expected to achieve in carrying out their scheme functions (Reg 33).

A number of minor technical amendments which are consequential on the introduction of the new Local Government Pension Scheme in Scotland on 1 April 2009 and which are not material in nature (ie they do not impact on potential beneficiaries), are also made, including updating references to the Local Government Pension Scheme (Scotland) Regulations 1998 and other pensions legislation.

## **Consultation Process**

5. The main changes have been consulted upon and no adverse comments received.
6. If you wish to discuss any aspect of these Regulations or the new scheme in more detail please do not hesitate to contact David Lauder either by telephone on 01896 893227 or by e-mail to [david.lauder@scotland.gsi.gov.uk](mailto:david.lauder@scotland.gsi.gov.uk).

Yours faithfully



Jean Steel  
Policy Officer, LGPS