

EQUALITY IMPACT ASSESSMENT

Step One

Define the aims of the policy

Title of policy	Local Government Pension Scheme (LGPS) Scotland 2008
Name of Branch or Division	Policy Branch
Directorate or Agency	Scottish Public Pensions Agency

What is the purpose of the proposed policy (or changes to be made to the policy)?	To achieve reforms that will deliver a new LGPS that is both affordable and sustainable over the longer term.
Who is affected by the policy or who is intended to benefit from the proposed policy and how?	Key beneficiaries are: <ul style="list-style-type: none"> • scheme members (mainly LG workforce). • LGPS employers (local authorities, scheduled bodies and admission bodies) and 11 administering authorities. • benefits are a modernised, improved and sustainable pension scheme that delivers greater flexibility and choice for scheme members at a reduced cost to employers.
How have you, or will you, put the policy into practice, and who is or will be responsible for delivering it?	<ul style="list-style-type: none"> • the new LGPS will come into effect on 1 April 2009. • it will be regulated by the SPPA. • it will continue to be managed by LGPS employers and 11 Administering Authorities, who also manage fund investments.
How does the policy fit into our wider or related policy initiatives?	<ul style="list-style-type: none"> • The revised LGPS is one of a number of public sector pension schemes that have been reformed under a programme of reform that began in 2003. • The aim of that reform programme was to reform public sector pension schemes to ensure that they are affordable and sustainable over the longer term. This reformed scheme achieves that aim.

	<ul style="list-style-type: none"> • The new scheme also introduces: <ul style="list-style-type: none"> ○ greater flexibility for scheme beneficiaries in how they can accrue and realise benefits. ○ better targeted ill-health arrangements ○ extension of scheme benefits to non married partners. ○ support for an improved work life balance –enhanced opportunities to benefit from flexible working patterns. ○ encourages participation in the workplace by older workers • pension benefits are also a valuable part of the overall public sector reward package. • In keeping with good practice, the new scheme was developed via a tripartite process under the aegis of SLOGPAG (the Scottish Local Government Pensions Advisory Group). This group included representatives from employers (including COSLA), LG trade unions and the Scottish Government.
Do you have a set budget?	Yes – liabilities are met through employer and member contributions. Administration arrangements met by local authorities.

Step Two

What do you already know about the diverse needs and/or experiences of your target audience?

Do you have information on				
Age	Yes	X	No	
Disability	Yes		No	X
Gender	Yes	X	No	
Lesbian, Gay, Bisexual & Transgender	Yes		No	X
Race	Yes		No	X
Religion and Belief	Yes		No	X

Age	<p><u>Evidence</u></p> <ul style="list-style-type: none"> • Current scheme accessible from 16 to 75 years old • New flexible arrangements from tax changes means not compulsory to take pension at NPA 65. • Rule of 85, which was discriminatory in terms of age, has been removed from scheme. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Age</th> <th>LGPS ¹Membership %</th> <th>LGPS ²Workforce %</th> </tr> </thead> <tbody> <tr> <td>Under 21</td> <td>1.4</td> <td>2.0</td> </tr> <tr> <td>21-30</td> <td>11.3</td> <td>11.3</td> </tr> <tr> <td>31-40</td> <td>23.5</td> <td>21.5</td> </tr> <tr> <td>41-50</td> <td>37.9</td> <td>32.2</td> </tr> <tr> <td>51-60</td> <td>29.4</td> <td>26.3</td> </tr> <tr> <td>61-70</td> <td>5.2</td> <td>5.64</td> </tr> <tr> <td>70-75</td> <td>0.03</td> <td>0.36</td> </tr> </tbody> </table> <p><u>Consultation</u> Consultation on 'Facing the Future' for the LGPS included employers, and Local Government employees via unions. Some employees/ members also responded to consultation individually. New scheme proposals being developed jointly between representatives of Scottish Executive, employers and trade unions. Further consultation on detailed proposals for a new LGPS (July – October 2007) also sought specific views on equality issues that were taken into account in the final design of the scheme.</p>	Age	LGPS ¹ Membership %	LGPS ² Workforce %	Under 21	1.4	2.0	21-30	11.3	11.3	31-40	23.5	21.5	41-50	37.9	32.2	51-60	29.4	26.3	61-70	5.2	5.64	70-75	0.03	0.36
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Disability	<p><u>Evidence</u></p> <ul style="list-style-type: none"> • Equal access to current scheme. 																								

¹ Source – Local Authority Pension Fund Administrators

² Source – Local Authority Employers

	<ul style="list-style-type: none"> Anecdotally, disabled people may be more likely to work part time and potentially be lower paid, therefore there may be negative impact from fixed contribution rate in current scheme that applies to all members. <p><u>Consultation/engagement</u> As above.</p>						
Gender	<p><u>Evidence</u></p> <ul style="list-style-type: none"> Equal access to current scheme, including for part-time staff (more women part timers than men). No restriction on access according to length of tenure (2 year vesting period within which contributions returned if individual leaves employment). Final salary scheme recognised as more advantageous for longer serving staff who progress up career ladder, who tend to be men. However, evidence suggests that all potential scheme options impact on different sections of the workforce in both positive and negative ways. GAD FACTORS recognise that women generally live longer than men. Current scheme allows for career breaks, which tends to be beneficial for women. Anecdotal evidence that fixed contribution rate for all members impacts negatively on low paid, who tend to be women. However, the LGPS also has a lower contribution rate in the current scheme for manual workers. <table border="1"> <tr> <td>Workforce³</td> <td>Male - 30 %</td> <td>Female – 70 %</td> </tr> <tr> <td>Scheme⁴</td> <td>Male – 32.3%</td> <td>Female – 67.7%</td> </tr> </table> <p><u>Consultation/engagement</u> As above.</p>	Workforce ³	Male - 30 %	Female – 70 %	Scheme ⁴	Male – 32.3%	Female – 67.7%
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Scheme ⁴	Male – 32.3%	Female – 67.7%					
Lesbian, Gay, Bisexual & Transgender	<p><u>Evidence</u></p> <ul style="list-style-type: none"> Equal access to current scheme. Civil partnership provisions in current scheme, including pre-1988 buy back of pension. Co-habitees pensions not currently provided, but will be in the new scheme. <p><u>Consultation/engagement</u> As above.</p>						
Race	<p><u>Evidence</u></p> <ul style="list-style-type: none"> Equal access to current scheme. 						

³ Source – Scottish Government Joint Staffing Watch – March 2007

⁴ Source – Local Authority Pension Fund Administrators

	<p>Most local authorities did not have data for both scheme membership and the workforce as a whole. Of those that could the following is an example of the breakdown between scheme membership and workforce.</p> <table border="1" data-bbox="673 342 1372 871"> <thead> <tr> <th>Scheme Membership</th> <th>Workforce</th> <th>Race</th> </tr> </thead> <tbody> <tr><td>96.87%</td><td>96.90%</td><td>white Scottish;</td></tr> <tr><td>1.85%</td><td>1.76%</td><td>white other British;</td></tr> <tr><td>0.39%</td><td>0.45%</td><td>white Irish;</td></tr> <tr><td>0.00%</td><td>0.00%</td><td>other white;</td></tr> <tr><td>0.11%</td><td>0.10%</td><td>Indian;</td></tr> <tr><td>0.11%</td><td>0.09%</td><td>Pakistani;</td></tr> <tr><td>0.00%</td><td>0.00%</td><td>Bangladeshi;</td></tr> <tr><td>0.06%</td><td>0.06%</td><td>Chinese;</td></tr> <tr><td>0.04%</td><td>0.06%</td><td>other Asian;</td></tr> <tr><td>0.00%</td><td>0.00%</td><td>Caribbean;</td></tr> <tr><td>0.06%</td><td>0.09%</td><td>African;</td></tr> <tr><td>0.04%</td><td>0.04%</td><td>other black</td></tr> <tr><td>0.11%</td><td>0.10%</td><td>mixed ethnic</td></tr> <tr><td>0.36%</td><td>0.36%</td><td>other ethnic</td></tr> <tr><td>0.00%</td><td>0.00%</td><td>Unknown</td></tr> </tbody> </table> <p><u>Consultation/engagement</u> As above.</p>	Scheme Membership	Workforce	Race	96.87%	96.90%	white Scottish;	1.85%	1.76%	white other British;	0.39%	0.45%	white Irish;	0.00%	0.00%	other white;	0.11%	0.10%	Indian;	0.11%	0.09%	Pakistani;	0.00%	0.00%	Bangladeshi;	0.06%	0.06%	Chinese;	0.04%	0.06%	other Asian;	0.00%	0.00%	Caribbean;	0.06%	0.09%	African;	0.04%	0.04%	other black	0.11%	0.10%	mixed ethnic	0.36%	0.36%	other ethnic	0.00%	0.00%	Unknown
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Religion and Belief	<p><u>Evidence</u></p> <ul style="list-style-type: none"> • Equal access to current scheme. • Possible to have personal pension scheme alongside, or instead of, membership of LGPS, which provides alternative option to individuals whose religious beliefs do not support investment for profit. <p>Few employers record workforce data on religion and belief but the following provided by one fund authority gives a breakdown between the main religious groups. No data exists relating to scheme membership.</p> <ul style="list-style-type: none"> - 30.59% Church of Scotland; - 3.60% Roman Catholic; - 4.43% Christian other; - 0.10% Hindu - 0.30% Muslim; - 0.19% Buddhist; - 0.02% Sikh; and - 0.02% Jewish - 0.48% other - 60.27% unknown <p><u>Consultation/engagement</u> As above.</p>																																																

Step Three

Do you have enough information to help you understand the diverse needs and/or experiences of your target audience?

If not, what else do you need to know?

Age	Do you have enough information to proceed?	Yes	
SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant equality groups, e.g. Age Concern Scotland, re any other specific information/ evidence that is available. <i>No specific concerns raised.</i>			
Disability	Do you have enough information to proceed?	Yes	
SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant equality groups, e.g. Disability Rights Commission in Scotland, re any other specific information/ evidence that is available. <i>No specific concerns raised.</i>			
Gender	Do you have enough information to proceed?	Yes	
SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant equality groups, e.g. Equal Opportunities Commission Scotland, re any other specific information/ evidence that is available. <i>No specific concerns raised.</i>			
Lesbian, gay, bisexual and transgender	Do you have enough information to proceed?	Yes	
SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant equality groups, e.g. Stonewall Scotland, re any other specific information/ evidence that is available. <i>Response raised no specific concerns</i>			
Race	Do you have enough information to proceed?	Yes	

	<p>SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant equality groups, e.g. BEMIS/CEMVO, Commission for Racial Equality, re any other specific information/ evidence that is available. <i>No specific concerns raised.</i></p>		
<p>Religion and Belief</p>	<p>Do you have enough information to proceed?</p>	<p>Yes</p>	
	<p>SLOGPAG considered equality issues that arose during the development process for the new LGPS. Contact made with relevant groups, e.g. ACAS Scotland, specific religious organisations, re any other specific information/ evidence that is available. <i>No specific concerns raised</i></p>		

Step Four

What does the information you have tell you about how this policy might impact positively or negatively on the different groups within the target audience?

Age	<ul style="list-style-type: none">• Equal access to the pension scheme;• removal of Rule of 85; link between age and service broken.• increased retirement flexibilities introduced to encourage continued participation in the workplace by older staff.
Disability	<ul style="list-style-type: none">• equal access to the pension scheme;• improved targeting of ill-health benefits.
Gender	<ul style="list-style-type: none">• equal access to the pension scheme;• <i>introduction of tiered contribution rates on a banded basis increases the rates of the higher earners (disproportionately male) while reducing the contributions of the lower paid workers (disproportionately female) This helps to equalise the contributions : benefits ratio.</i>
Lesbian, Gay, Bisexual & Transgender	<ul style="list-style-type: none">• equal access to the pension scheme;• improved rights for civil and same sex partners.
Race	<ul style="list-style-type: none">• equal access to the pension scheme;• no issues identified with race
Religion and Belief	<ul style="list-style-type: none">• equal access to the pension scheme;• no issues identified with religion and belief

Step Five

Will you be making any changes to your policy?

Are there any changes?				
Age	Yes		No	3
Disability	Yes		No	3
Gender	Yes		No	3
Lesbian, Gay, Bisexual & Transgender	Yes		No	3
Race	Yes		No	3
Religion and Belief	Yes		No	3

Step Six

Does your policy provide the opportunity to promote equality of opportunity or good relations by altering the policy or working with others?

Age	Yes	X	No	
Disability	Yes		No	X
Gender	Yes	X	No	
Lesbian, Gay, Bisexual & Transgender	Yes	X	No	
Race	Yes		No	X
Religion and Belief	Yes		No	X

Age	Increased retirement flexibilities will encourage continued participation in the workplace by older staff.
Disability	
Gender	Civil and same sex partners will have the same dependent's rights as married couples.
Lesbian, Gay, Bisexual & Transgender	Civil and same sex partners will have the same dependent's rights as married couples.
Race	
Religion and Belief	

Step Seven

Based on the work you have done - rate the level of relevance of your policy

Tick one box for each strand

	Age	Disability	Gender	LGBT	Religion and belief	Race
High	X		X			
Medium				X		
Low		X			X	
Unknown No evidence or date has been collected therefore an assessment cannot be made						X

Step Eight

Is a further impact assessment required?

Age	Yes	X	No	
Disability	Yes		No	X
Gender	Yes	X	No	
Lesbian, Gay, Bisexual & Transgender	Yes		No	X
Race	Yes		No	X
Religion and Belief	Yes	X	No	

If you have answered yes please explain why

Some age and gender related issues, as outlined above, will require monitoring. Data will become available after the first cyclical valuation of the pension scheme after reform.

An exercise on religion and belief should also be considered

Step Nine

Please explain how you will monitor and evaluate this policy/function or strategy to measure progress?

Please explain how monitoring will be undertaken, when it will take place and who is responsible for undertaking it.

A governance working group comprising COSLA, the Unions and the SPPA will be established, which, among other matters, will continue to monitor equality issues as the new scheme comes on stream.

DATABASE PAGE

Sign off and authorisation page

You should have completed the following steps:

Impact Assessment Steps 1-9	Yes	No
1. Defined the aims of your policy	X	
2. Identified what we already know (i.e. what does the existing evidence base tell us?)	X	
3. Identified what more we need to know (i.e. what gaps have we identified in our evidence base?)	X	
4. Analysed the evidence (i.e. what does this all mean in relation to our policies?)	X	
5. Considered any necessary changes & identified action (i.e. will you be taking action to make any changes? If yes, what, when and who? If not, what are your reasons for not taking any action?)	X	
6. Identified opportunities to promote equality	X	
7. Measured differential impact		X
8. Assessed whether further impact assessment work is needed	X	
9. Outlined arrangements for monitoring & evaluation	X	

This form should be completed by the officer who is responsible for completing the assessment.

The impact assessment should now be authorised by either the Division or Group Head or equivalent.

Policy Title	Local Government Pension Scheme (LGPS) Scotland 2008
Name of Branch or Division	Policy Branch
Directorate or Agency	Scottish Public Pensions Agency
We have completed the equality impact assessment for this policy.	Name: Chad Dawtry Position: Director of Policy, Strategy and Development Date: 26/06/08
Directorate authorisation	Name: David Henderson Position: Head of Local Government Division Date: 26/6/2008

On completion of this step, the equality impact assessment will be published on the Scottish Public Pensions Agency website.