

REPORT OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

Administering Authority Discretions Policies	Classification PUBLIC	Enclosures one AGENDA ITEM NO.
	Ward(s) affected ALL	
Pensions Committee 23rd July 2018		

1. INTRODUCTION

1.1 This report proposes amendments to the existing Administering Authority discretions policies following regulatory changes in 2013. The policies were last reviewed by the Committee in June 2012 as part of a regular review. The policies should be reviewed regularly and also when there are changes in the Local Government Pension Scheme (LGPS) regulations that impact the existing policies.

2. RECOMMENDATIONS

2.1 The Pensions Committee is recommended to:

- **Approve the amended Administering Authority discretions policies**

3. RELATED DECISIONS

- Pensions Committee 23rd July 2018 – Admissions Policy
- Pensions Committee 29th September 2014 – Administering Authority Discretions Policies

3.1 COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

4.1 Ensuring that the Fund has clear policies in place in relation to Administering Authority. discretions helps maintain proper financial governance of the Fund. Some of the areas where the regulations permit discretion can impact the financial health of the Fund or change its exposure to certain risk factors; ensuring that clear policies are in place helps maintain a consistent and prudent approach to these areas.

4.2 There are no immediate financial implication arising from this report

4. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

5.1 Hackney Council, as administering authority to the London Borough of Hackney Pension Fund, has determined its discretionary policies in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), and related legislation, and these are outlined in the attached statement.

5.2 The content of these policies has been reviewed in line with current legislation. The Council will exercise these discretions in line with the provisions of the various LGPS Regulations and other legislation. Nothing within this statement can overwrite the legal requirements within those provisions.

- 5.3 These policies do not give, nor shall they be deemed to give, any contractual rights to any member of the Pension Fund, or to any other person whatsoever. Nothing in this document will cause the Administering Authority's capacity to exercise its discretionary powers to be unlawfully fettered or restricted in any way
- 5.4 The Council will review the policies within this statement as required in the light of future changes to the LGPS legislation or other relevant legislation. It will also be reviewed at least every three years.
- 5.5 There are no immediate legal implications arising from this report.

5. BACKGROUND/TEXT OF THE REPORT

- 6.1 The London Borough of Hackney under the terms of the LGPS regulations acts as the Administering Authority for the London Borough of Hackney Pension Fund. Under the terms of the Constitution of the Council, delegated powers over the Pension Fund have been given to the Pensions Committee to act as quasi-trustee of the Pension Fund.
- 6.2 The LGPS Regulations 2013 contain a number of areas where the Administering Authority can exercise its discretion and policies must be made and published relating to a number of these. Administering Authority discretions policies apply to all employers (and their scheme members) who participate in the Pension Fund. Since 2005, the London Borough of Hackney has published its discretions policies in an amalgamated statement and, in line with good practice, these policies have been formally reviewed every three to four years.
- 6.3 This update to the statement represents a routine review, ensuring that the list of discretions is complete and existing policies are still appropriate. Changes have been made to accommodate changes to the governance structure of the Fund since the last review, as well as changes to the management team.
- 6.4 The attached appendix to this report sets out the updated Statement of Administering Authority Discretions Policies, showing each area of discretion and the proposed Hackney Pension Fund policy. The attached Statement highlights:
- where a new discretionary policy has been added (yellow)
 - where it is proposed that the existing policy be changed (turquoise) together with the reason for the change.
- 6.5 Most of the changes are updates to account for a change of decision maker following a team restructure. The most significant changes have been to add new policies in relation to the Pension Board and a change of regulation around exit credits to ceasing employers. .
- 6.6 There are a number of areas in which Hackney Council can also exercise discretionary powers as an employer in the Pension Fund. These are also due for review during the year and will once prepared will be approved by the Group Director, Finance and Corporate Resources.

Appendix 1 – Statement of Administering Authority Discretions Policy

Ian Williams

Corporate Director of Finance & Resources

Report Originating Officers: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Patrick Rodger ☎020-8356 6187