

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
Administering Authority Discretions Policies Pensions Board 29th November 2018	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	AGENDA ITEM NO.

1. INTRODUCTION

- 1.1 This report sets before the Pensions Board the discretionary policies for Hackney Council as administering authority for the London Borough of Hackney Pension Fund. These have been brought before the Board following a recent change to the Policies approved by the Pensions Committee on 23rd July 2018. The amendments to the Policies include changes resulting from a change of management team since the last review and changes taking into account the establishment of the Hackney Pensions Board.

2. RECOMMENDATIONS

- 2.1 The Pensions Board is recommended to:
- Note the amended Administering Authority discretions policies

3. RELATED DECISIONS

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

4. COMMENTS OF THE GROUP DIRECTOR, 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 implications arising from this report

5. 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. Each case brought to the Administering Authority under these Policies will be assessed on its own merits and fully investigated before a decision is made. 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, as full access to relevant information and documents can and will be granted.
- 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.

6. BACKGROUND/TEXT OF THE REPORT

- 6.1 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.
- 6.2 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.
- 6.3 The attached appendix to this report sets out the updated Statement of Administering Authority Discretions Policies, showing each area of discretion and the Hackney Pension Fund policy. The attached Statement highlights:
- where a new discretionary policy has been added (yellow)
 - where the previous policy has been changed (turquoise) together with the reason for the change.
- 6.4 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. The policies relating to the Board are all in relation to its establishment and set out the administering authority's discretion to decide appointment procedures, terms of appointment and membership of the Board and any other procedures applicable to it. It also confirms the administering authority's decision not to pursue establishment of a Joint Pension Board.

- 6.5 There are a number of areas in which Hackney Council can also exercise discretionary powers as an employer in the Pension Fund. These have also been reviewed during 2018/19 and were approved by the Council's Corporate Committee on 10th October 2018

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Appendices

Appendix 1 – Administering Authority Discretions Policy