
ADMINISTERING AUTHORITY DISCRETIONS

Report by Chief Human Resources Officer

JOINT MEETING OF PENSION FUND COMMITTEE AND PENSION BOARD

18 June 2015

1 PURPOSE AND SUMMARY

- 1.1 This report proposes the revised Administering Authority Discretions for the Scottish Borders Council Pension Fund.**
- 1.2 The Pension Fund is required by the Local Government Pension Scheme Regulations to have Administering Authority Discretions in place.
- 1.3 **Appendix 1** contains the revised Administering Authority Discretions policies.
- 1.4 There is a statutory requirement to publish a statement of discretionary policy by three months after the commencement of the new scheme (i.e. no later than 30 June 2015).

2 STATUS OF REPORT

- 2.1 This report has been circulated to consultees later than the recommended timeframe and as a result their comments have not been able to be included in the report, but will be presented to the Joint Committee and Board meeting. The late preparation of the report is related to the significant work involved in producing the final year end reports and implementation of the new scheme.

3 RECOMMENDATIONS

- 3.1 **It is recommended that:**
 - (a) the revised Administering Authority Discretions as set out in Appendix 1 is approved; and**
 - (b) notes that the Communication Strategy will be presented to a future meeting.**

4 BACKGROUND

- 4.1 The Local Government (Scotland) Pension Scheme Regulations provide the Council and employers participating in the Scottish Borders Council Pension Fund with powers to determine a number of discretions in respect of the Local Government Pension Scheme.
- 4.2 The Discretionary Policies were first agreed and published in 1998 and have continued to be reviewed and updated as regulations have changed. The last review was approved at the Pension Fund Sub Committee meeting of 11 June 2009.
- 4.3 The Discretionary Policies fall into two distinct categories:
- 1) Employing Authority
Employers participating in Scottish Borders Council Pension Fund are required to formulate and publish specific policies best suited to their own organisational requirements.
 - 2) Administering Authority
These policies apply to all employing authorities participating in the Scottish Borders Council Pension Fund.

This report is concerned with the Administering Authority discretions.

- 4.4 There is a statutory requirement to publish a statement of discretionary policy by three months after the commencement of the new scheme (i.e. no later than 30 June 2015).

5 ADMINISTERING AUTHORITY DISCRETIONS

- 5.1 The Administering Authority policies to be reviewed and the recommended changes are included in **Appendix 1**.
- 5.2 New discretionary options are introduced in addition to the existing policies as part of the implementation of the Local Government (Scotland) Pension Scheme Regulations 2014 with effect from April 2015.
- 5.3 The discretions covering the Governance Policy Statement and Funding Strategy statement are being covered under separate agenda items at this meeting.
- 5.4 The abatement of retirement pensions following re-employment with a LGPS employer has been in existence since 2009, however, will still apply to an individual who has been in receipt of added years should they become re-employed.
- 5.5 The Communication Strategy will be developed and presented to a future joint meeting of the Pension Fund Committee and Pension Board.
- 5.6 The treatment of education or training as continuous is a continuation of the discretion agreed at the Pension Fund Sub-Committee meeting of June 2009, updated to reflect the new regulation applicable.
- 5.7 In order to protect the financial interests of the Fund, the discretion under Regulation R16 is added to ensure individuals do not attempt to exploit the regulations and apply for added years, should they have a known medical

condition that they have not declared at the time of entering into a contract to pay additional pension contributions.

5.8 The final discretions are continuations of those agreed at the June 2009 Sub-Committee meeting, updated to reflect the new regulation applicable.

5.9 In formulating its policy Scottish Borders Council Pension Fund must have regard to the extent to which its policies could lead to a serious loss of confidence in the public service.

6 IMPLICATIONS

6.1 Financial

There are no financial implications relating to this report.

6.2 Risk and Mitigations

This report is part of the governance framework to manage the operation of the Pension Fund and ensure compliance with the scheme regulations.

6.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

6.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which could affect the Council's sustainability.

6.5 Carbon Management

No effect on carbon emissions are anticipated from the recommendation of this report.

6.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of this report.

7 CONSULTATION

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk and the Clerk to the Council are being consulted on the report and their comments will be communicated at the meeting.

Approved by

Clair Hepburn
Chief Officer Human Resources

Signature

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Background Papers:

Previous Minute Reference: Pension Fund Sub-Committee, 11 June 2009

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