

Pension Fund Committee

Agenda

Thursday 6 October 2022 at 7.00 pm

Meeting Room 1 (2nd Floor) - 3 Shortlands, Hammersmith, W6 8DA

MEMBERSHIP

Administration	Opposition
Councillor Ross Melton (Chair) Councillor Florian Chevoppe-Verdier Councillor Laura Janes Councillor Adam Peter Lang	Councillor Adrian Pascu-Tulbure
Co-optees	
Michael Adam Iain Cassidy	

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Members of the public are welcome to attend and the building has disabled access.

Date Issued: 28 September 2022

Pension Fund Committee Agenda

<u>Item</u>	<u>Pages</u>
1. APOLOGIES FOR ABSENCE	
2. DECLARATIONS OF INTEREST If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent. At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken. Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest. Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.	
3. MINUTES OF THE PREVIOUS MEETING <i>This item includes an appendix that contains exempt information. Discussion of the appendix will require passing the proposed resolution at the end of the agenda to exclude members of the public and press.</i>	4 - 10
4. PENSION ADMINISTRATION KEY PERFORMANCE INDICATORS This paper sets out a summary of the performance of the Local Pension Partnership Administration providing a pension administration service to the Hammersmith & Fulham Fund.	11 - 24
5. PENSION ADMINISTRATION UPDATE This item provides an update on the Hammersmith & Fulham Pension Fund's partnership with the Local Pension Partnership Administration.	25 - 28

6. DISCRETIONARY POLICY

29 - 49

This report recommends approval of the revised discretionary policy set out in Appendix 2 to fulfil the Council's obligations under the Local Government Pension Scheme Regulations 2013.

7. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

- 15 November 2022
- 28 February 2023

8. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

The Committee is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Agenda Item 3

London Borough of Hammersmith & Fulham

Pension Fund Committee Minutes



Wednesday 7 September 2022

PRESENT

Committee members: Councillors Ross Melton (Chair), Florian Chevoppe-Verdier, Laura Janes, Adam Peter Lang and Adrian Pascu-Tulbure

Co-opted members: Michael Adam (attended remotely)

Officers:

David Hughes (Director of Audit, Fraud, Risk and Insurance)

Phil Triggs (Director of Treasury and Pensions)

Patrick Rowe (Pension Fund Manager)

David Abbott (Head of Governance)

Advisers:

Kevin Humpherson (Deloitte)

Jonny Moore (Deloitte)

Marian George (Independent Advisor)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Iain Cassidy.

Apologies for lateness were received from Councillor Adam Peter Lang (who entered at 7.12pm).

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED

The open and exempt minutes of the meeting held on 20 June 2022 were both approved as accurate records of the meeting.

4. PENSION ADMINISTRATION - KEY PERFORMANCE INDICATORS

David Hughes (Director of Audit, Fraud, Risk and Insurance) introduced the report which set out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Fund. He highlighted improvements in a number of areas – particularly related to the number of cases processed and core wait times – but he said there was still a lot of work to do.

David Hughes noted that the LPPA's Commercial Director had been invited to attend the extraordinary meeting on 6 October to discuss the issues faced, the progress made so far, and plans for improvement.

The Chair welcomed the opportunity to discuss the service with the Commercial Director and suggested members submit questions and areas for discussion ahead of the October meeting.

ACTION: Committee members

Members made the following requests:

- A more detailed breakdown of the KPIs.
- A breakdown of the full enquiries process.
- How the Committee could get bottom-up feedback from members to understand their top concerns.
- The timeline to get back to normal levels of resource.

RESOLVED

The Committee noted the report.

5. DRAFT ANNUAL REPORT 2021/22

Patrick Rowe (Pension Fund Manager) introduced the report which presented the draft Pension Fund Annual Report and Statement of Accounts for the year ended 31 March 2022.

Marian George (Independent Advisor) encouraged members to fill out their training needs forms. She also discussed the recent London CIV conference, noting that the sessions would be available online shortly and recommended members to watch them and attend the conference next year. Phil Triggs (Director of Treasury and Pensions) also recommended some online training and said officers would forward links to the Committee.

ACTION: David Abbott / Phil Triggs

Councillor Florian Chevoppe-Verdier asked if the skills and staffing shortage noted on page 29 had been flagged to the Council's recruitment team. Patrick Rowe said it was a potential risk and was not currently an issue for the pensions team.

Councillor Chevoppe-Verdier asked for more information on the risk about increased life expectancy on page 30. Patrick Rowe said it was a liability risk,

the valuation took many factors into account, one of which was life expectancy. Phil Triggs added that the fund had recently switched actuaries to Hymans who had very granular data on life expectancy down to individual postcodes – there was huge variation in life expectancy across the country.

Councillor Chevoppe-Verdier noted the report showed £58m more being paid out of the fund each year than was going in. He asked when that would become a problem if it continued at that rate. Patrick Rowe said net cashflow was negative, but the net effect was around £11m per year. To mitigate that, managers had been allocating more capital to income generating assets, but it was not a huge risk at those levels.

Councillor Chevoppe-Verdier asked if the number of admitted bodies varied over the past year and how much by. Patrick Rowe said it did vary but only by small numbers (single digits).

Councillor Chevoppe-Verdier, in reference to the table on communications to residents on page 107, asked how often the publications were sent out and the total volume of paper being sent. Patrick Rowe said that related to pensions administration. David Hughes said communications were being reviewed. Committee members encouraged a transition to electronic communications. David Hughes said he would feed that back to the Administration team.

ACTION: David Hughes

Marian George noted that some of the data in the appendices was out of date and suggested the report state that for clarity.

ACTION: Patrick Rowe

Councillor Chevoppe-Verdier felt the governance of the London CIV was unclear and asked how members were appointed. Phil Triggs said the CIV's governance had evolved over its life. He would provide information on the appointment process in an update.

ACTION: Phil Triggs

Councillor Chevoppe-Verdier said the resolution of the tables on pages 136 to 143 made them difficult to read. He asked officers to ensure reports were clear and accessible and suggested they follow the WCAG web accessibility standards.

Councillor Adam Peter Lang noted the pound had fallen to a 37 year low against the US dollar and asked what the implications were for the fund. Kevin Humpherson (Deloitte) said that over the long-term currency was not a major factor in investment returns.

Councillor Adrian Pascu-Tulbure raised concerns about rising inflation and asked if the H&F fund was at particular risk due to its investments. Kevin Humpherson suggested the Committee look in more detail at interest rate exposure, inflation risk, and currency risk following the valuation. Marian George agreed that inflation was something to consider when looking at strategy and suggested training would be useful in that area.

The Chair requested some training on currency exposure and inflation. Councillor Chevoppe-Verdier asked that officers sent any recommended training opportunities to them – and suggested a standing agenda item on upcoming training sessions.

ACTION: Phil Triggs

Councillor Pascu-Tulbure, in reference to the graph on page 20, asked for views on how quickly costs could be reduced to the benchmarks. Patrick Rowe said he expected it to come down in the next year.

RESOLVED

The Committee approved the draft Pension Fund Annual Report for 2021/22 and delegated approval of the final version to the Director of Treasury and Pensions in consultation with the Chair.

6. RESPONSIBLE INVESTMENT STATEMENT

Patrick Rowe (Pension Fund Manager) introduced the report which presented the Responsible Investment policy for the London Borough of Hammersmith and Fulham Pension Fund.

The Chair asked when the ESG dashboard would be made available on the Council's website. Patrick Rowe said he hoped it would be online in the next few weeks.

Councillor Florian Chevoppe-Verdier asked for more information on the DWP's new reporting requirements referenced on page 163. Phil Triggs said the 12-week consultation was specifically for the LGPS. The requirements built on the work of the taskforce with extra enhancements – including questioning duplication of work that pools and administrative authorities had to do. Implementation was planned for financial year 2023/24. He noted that it would come to the November meeting.

ACTION: Phil Triggs

Councillor Chevoppe-Verdier noted that officers and members should expect feedback on the map used for the dashboard due to areas that were not internationally recognised (Taiwan, Kosovo etc.). The Chair suggested adding a disclaimer to the map explaining that it didn't represent any particular views of the Council.

ACTION: Patrick Rowe

Phil Triggs informed members that Patrick Rowe was scheduled to present the ESG dashboard at a national conference on the 9th of September. The Chair suggested linking up with the communications team to publicise it.

RESOLVED

The Committee approved the Responsible Investment Statement.

7. GOVERNANCE REVIEW LOG OF RECOMMENDATIONS

Phil Triggs (Director of Treasury and Pensions) gave an update on the progress log of recommendations that came from an independent review of the governance arrangements for the Pension Fund. He noted that 27 of the recommendations had been implemented and there were only 5 left to go, which were mainly administration related.

The Chair asked for an update on the administration recommendations at the extraordinary meeting in October. David Hughes said officers would produce an update on how the actions would be addressed.

ACTION: David Hughes

RESOLVED

The Committee noted the log of recommendations.

8. PENSION FUND QUARTERLY UPDATE PACK

Patrick Rowe (Pension Fund Manager) introduced the report which provided the Committee with a summary of the Pension Fund's overall performance for the quarter ended 30 June 2022, a cashflow update and forecast, and an assessment of risks and mitigation actions. He noted that while it had been a challenging quarter, the fund had performed fairly well due to its defensive asset allocation strategy. Over the year the fund was up 2.1 percent against the benchmark.

Kevin Humpherson and Jonny Moore (Deloitte) discussed the findings of the Deloitte investment performance report.

Councillor Florian Chevoppe-Verdier asked what the impact of the new requirements of the US Securities and Exchange would be. Kevin Humpherson said it would increase the costs of SOE managers.

Councillor Chevoppe-Verdier asked if the new London CIV CEO was in place yet. Marian George said he was due to join in November.

Michael Adam suggested it was the right time for an update on liabilities. Kevin Humpherson said he would pick it up with Hymans.

ACTION: Kevin Humpherson

Councillor Adrian Pascu-Tulbure asked if officers expected returns to remain negative for the rest of the year and if members should be concerned. Marian George said there was likely to be volatility in the short-term, but the fund invested for the long-term. It didn't impact members as their contribution rates were fixed and while it would impact employers, their contribution rates were smoothed over the long-term.

Councillor Laura Janes asked to what extent the cost-of-living crisis was factored in as a risk to the fund. Patrick Rowe said the risk register had been updated and the risks around inflation had been upgraded. There were

increased risks around liabilities, market performance, and the stability of admitted bodies.

Michael Adam suggested looking at the risk inflation posed to admitted bodies and to the fund more broadly if an admitted body failed and the fund had to pick up the costs. The Chair supported the recommendation.

ACTION: Patrick Rowe

RESOLVED

The Committee noted the report.

9. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

RESOLVED

The Committee resolved, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

10. INFRASTRUCTURE EQUITY – MARKET CONSIDERATIONS

Phil Triggs (Director of Treasury and Pensions) introduced the report which covered the parameters and characteristics required from an infrastructure allocation to replace the current outgoing allocation to the Aviva Investors Infrastructure Income Fund.

RESOLVED

1. The Committee noted the report.
2. The Committee requested a briefing note to provide a progress update on the Aviva Investors Infrastructure Income Fund liquidation.
3. The Committee requested a report on reallocation options for the November meeting.

11. LONDON CIV PASSIVE EQUITY PROGRESSIVE PARIS-ALIGNED SUB FUND

Patrick Rowe (Pension Fund Manager) introduced Jonny Moore (Deloitte) who presented the report which provided a summary of the London CIV Passive Equity Progressing Paris-Aligned Sub Fund (the PEPPA Sub Fund) and compared the index differences between it and the Fund's current low carbon passive global equity mandate.

RESOLVED

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

1. The Committee noted the report.
2. The Committee requested more analysis of the options available.

12. MAN GPM COMMUNITY HOUSING FUND – FINANCING FACILITY

Phil Triggs (Director of Treasury and Pensions) introduced the report which gave an update on the terms proposed by Man GPM for the Community Housing Fund (CoHo Fund).

Kevin Humpherson (Deloitte) briefed members on the proposed terms and in response to a question from Councillor Laura Janes, he said there were no additional costs or risks.

RESOLVED

The Committee agreed the recommendation to act in accordance with the view outlined by Deloitte in Appendix 1.

13. DATES OF FUTURE MEETINGS

The dates of future meetings were noted:

- 6 October 2022
- 15 November 2022
- 28 February 2023

The Chair highlighted the extraordinary meeting scheduled for 6 October 2022 which would focus on pensions administration.

Councillor Laura Janes noted that she was the only female member of the Committee and recommended that a more gender-balanced membership be considered when members were next due to be appointed in May 2023.

Meeting started: 7.00 pm

Meeting ended: 9.31 pm

Chair

Contact officer: David Abbott
Governance and Scrutiny
E-mail: David.Abbott@lbhf.gov.uk

Report to: Pension Fund Committee

Date: 06/10/2022

Subject: Pension Administration Key Performance Indicators

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This paper sets out a summary of the performance of the Local Pension Partnership Administration (LPPA) in providing a pension administration service to the Hammersmith & Fulham Fund. The Key Performance Indicators (KPIs) for the period April 2022 – June 2022 inclusive are shown in the Appendix 1.

RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Finance Impact

There are no direct financial implications as a result of this report. Costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Andre Mark, Head of Finance, 27 September 2022

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 27 September 2022

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Analysis of Performance

1. The KPIs have been set out in the discharge agreement between the LPPA (Local Pension Partnership Administration) and the London Borough of Hammersmith & Fulham (LBHF). The Head of Pensions ensures performance measures are discussed and reviewed between both parties on a monthly basis in accordance with Code 14 of the Pension Regulator’s Code of Practice that states that the scheme manager should hold regular meetings with their service providers to monitor performance.
2. This report is on the performance of our administration partner LPPA. However, it covers the first full quarter of the scheme year. The KPI’s detailed in Appendix 1 of the pension administration report cover the period 01 April 2022 to 30 June 2022 inclusive.
3. During the period April to June 2022, LPPA processed 1006 SLA cases (this is more than double the number of cases processed in quarter 4 (Q4) for the Hammersmith & Fulham Fund. Whilst the KPI in quarter 1 (Q1) has improved since Q4. The KPI performance target of 95% was only met for 2 case types namely new joiners and refunds area. However, in 5 areas 90% of KPI’s were achieved an improvement on the 4 met in Q4.
4. There is no KPI measure for the Helpdesk but the service provision has improved with average call times now reduce to 3 minutes.

Performance in key areas

5. Retirements – Performance on this task area for actives has improved to 80% due to less challenges with the new system. Processing of deferred retirement continued to fare better as 90.4% were processed on time compared to only 77.8% in Q4.
6. Deaths – The processing of death cases saw a dramatic decline in the number of cases processed on time, due to reduced resources with only 48.8% processed within the 5 day SLA. The Head of Pensions is working with the team led to improve.
7. Transfers – 71 cases in total were received by LPPA. 30 transfers in were processed within the 6 working days SLA and 32 transfers out.
8. Refunds – The number of refund cases more than tripled to 41 and 97.6 % of cases were processed within the 5 day SLA.
9. LPPA are entering the final phase of migrating 9 clients (300,000 members) to their new pension administration platform between October to December 2022. This may have an impact on the Fund's KPI's as LPPA resources are stretched. It is however hoped that the lessons learnt with our own migration mean that the impact is minimal. However as such with all clients they are reducing their SLA's from 95% of high priority cases (which are death and retirement cases) being processed on target to 90%. As well as all other cases including transfers, refunds and estimates from 95% to 70%

Summary

10. The first full quarter of LPPA providing administration service has seen an improvement in most areas, however there remains room for improvement from LPPA and the services it provides to the Fund. The Head of Pensions hopes to see continued improvement in the next quarter despite LPPA internal projects.

LIST OF APPENDICES

Appendix 1 – LPPA Pension Administration report April – June 2022



LPP

Local Pensions Partnership
Administration

Hammersmith & Fulham Pension Fund

Quarterly Administration Report

1st April – 30th June 2022

lppapensions.co.uk

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DEFINITIONS

Page 6

Casework Performance Against SLA

Performance is measured once all information is made available to LPPA, to enable them to complete the process. All casework has a target timescale in which to complete the process, and performance is measured as the % of cases that have been completed within that timescale.

Page 7

Casework Performance Against SLA

The category of 'Other' on this page covers cases including, but not limited to:

- Benefit revisions
- Maternity/paternity cases
- Ill Health cases
- Scheme Opt-Out cases
- Cases raised to cover 'Member Online Portal' registration queries
- P60 queries
- 50/50 scheme changes
- APC / AVC queries

Please note the number of cases brought forward, does not match the corresponding number of outstanding cases reported in the previous quarter (due to reasons including the deletion of cases during the current reporting period).

Page 9 & 10

Helpdesk Performance

Average wait time measures the time taken from the caller being placed into the queue, to them speaking with a Helpdesk adviser.

The percentage of calls answered does not include calls that are abandoned by the caller where the wait time is less than 2 minutes.

All figures reported in this section are non-client specific, as not all member calls are dispositioned at client level. This means that call volumes and wait times are not at client level - however, as calls are answered (through our various IVR options) in relation to wait time, performance across all LPPA clients is broadly the same

As the needs of our business, Clients and Members change, we adapt our reporting to suit the current trends and ensure sight of common topics.

For this reason it is necessary to update and add new topics in the reason for calls. To accommodate the multitude of reasons we have created a "Other" category which includes (but not limited to) 'Information Only', 'Website', 'Resend Documents'.

OUR CORE VALUES

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services.

The report describes the performance of Local Pensions Partnership Administration (LPPA) against the standards set out in the SLA.

Within LPPA, our values play a fundamental role in guiding our behaviour as we grow our pensions services business and share the benefits with our Clients.



Casework Performance Against SLA

In this section...

- Performance – All cases
- Performance Standard

CASEWORK PERFORMANCE AGAINST SLA

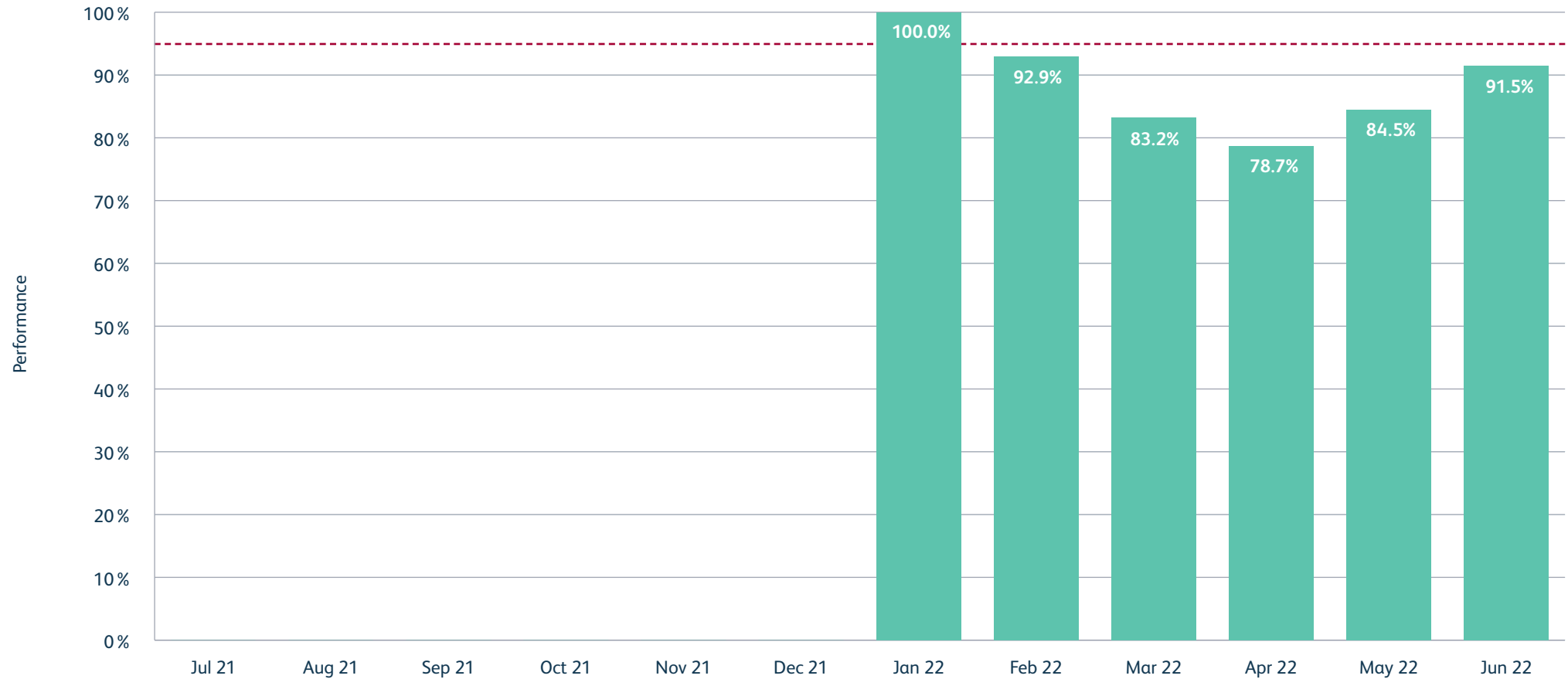


PERFORMANCE – ALL CASES

CLIENT SPECIFIC

--- Target (95 %)

The quarterly SLA performance was 85.6%

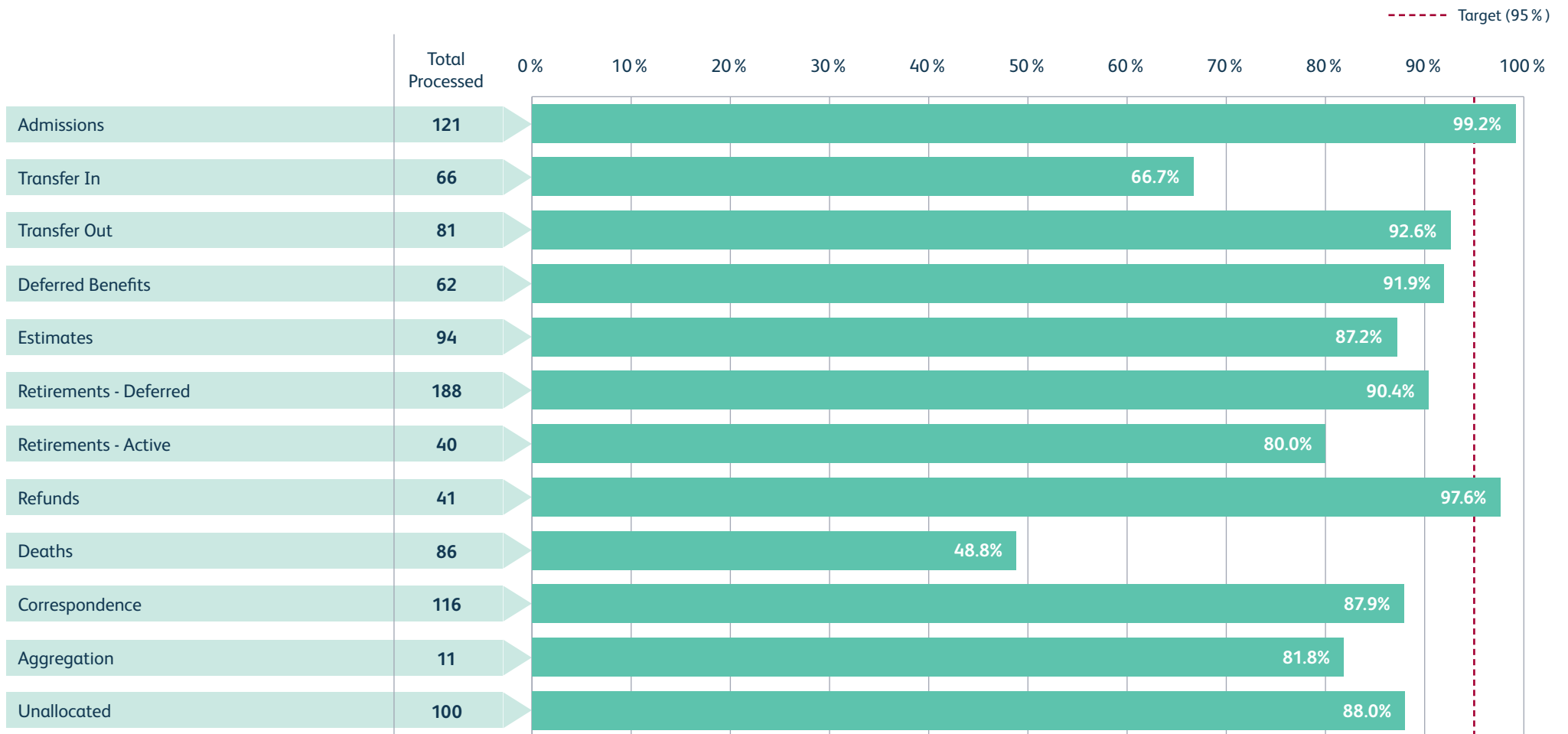


CASEWORK PERFORMANCE AGAINST SLA



PERFORMANCE STANDARD

CLIENT SPECIFIC



Helpdesk Calls Performance

The Helpdesk deals with all online enquiries and calls from Members for all funds that LPPA provide administration services for.

In this section...

- Wait time range
- Calls answered (%)
- Calls answered (volumes)

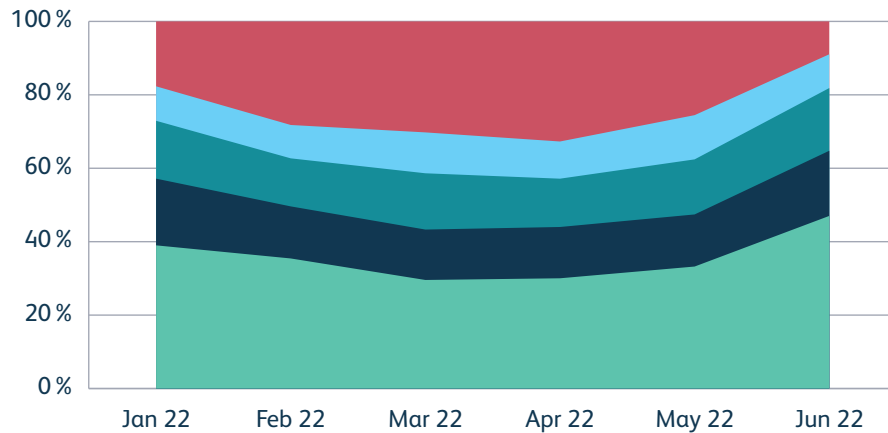
HELPDESK CALLS PERFORMANCE



WAIT TIME RANGE

ALL LPPA

Under 2 mins 2 to 5 mins 5 to 10 mins 10 to 15 mins Over 15 mins



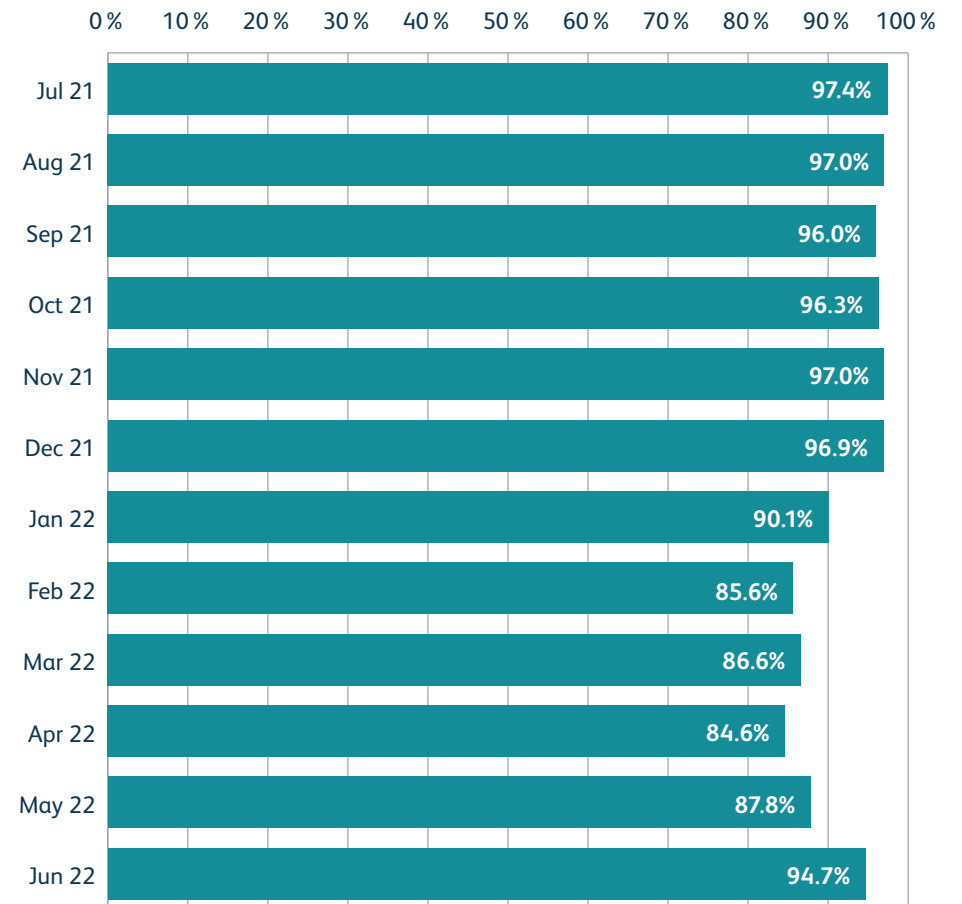
	Under 2 Mins	2 to 5 Mins	5 to 10 Mins	10 to 15 Mins	Over 15 Mins
Jan 22	39.0 %	18.2 %	15.8 %	9.4 %	17.7 %
Feb 22	35.4 %	14.2 %	13.1 %	9.1 %	28.2 %
Mar 22	29.6 %	13.7 %	15.3 %	11.1 %	30.2 %
Apr 22	30.0 %	14.0 %	13.2 %	10.1 %	32.7 %
May 22	33.2 %	14.2 %	15.0 %	12.1 %	25.5 %
Jun 22	47.0 %	17.7 %	17.1 %	9.2 %	9.0 %



CALLS ANSWERED (%)

ALL LPPA

Performance

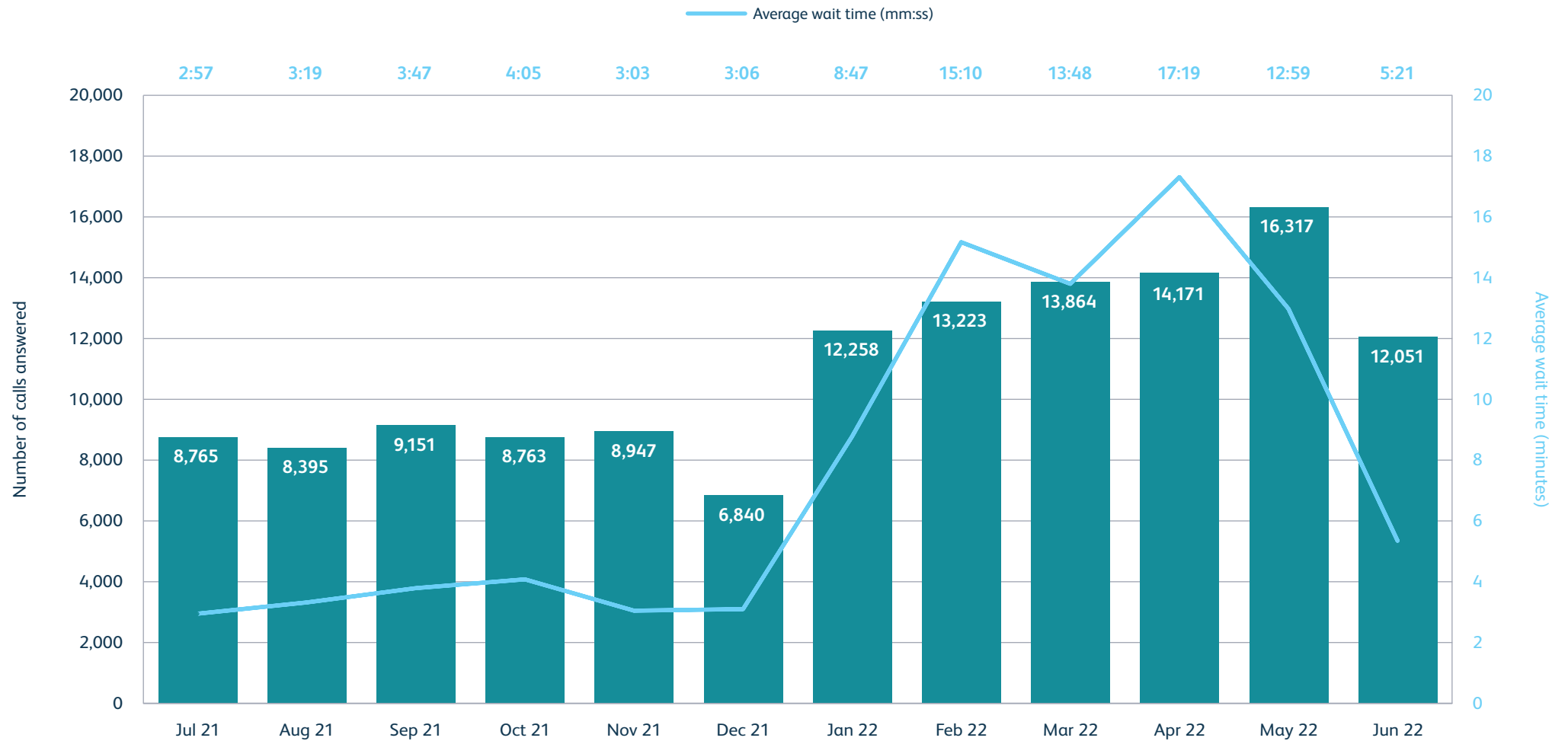


HELPDESK CALLS PERFORMANCE



CALLS ANSWERED (VOLUMES)

ALL LPPA



LPP

Local Pensions Partnership
Administration

Report to: Pension Fund Committee

Date: 06/10/2022

Subject: Pension Administration Update

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

The Hammersmith & Fulham Pension Fund began its new partnership with the Local Pension Partnership Administration (LPPA) on 26 January 2022. The commencement of the service with LPPA has been challenging for all stakeholders, as LPPA have been implementing and familiarise themselves with the new software (UPM), new processes and been hampered by system outage and errors as well as large call volumes. All of these issues has impacted on both service delivery and member experience. This paper provides a summary of activity in key areas of pension administration.

RECOMMENDATIONS

The Pension Fund Committee is asked to consider and note the contents of this report.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for pension fund members, the Council and the council tax payer.

Finance Impact

There are no direct financial implications as a result of this report. Costs of the pensions administration service, including costs of additional commissioned work provided by LPPA are met from the Pension Fund.

Andre Mark, Head of Finance (Strategic Planning and Investment), 27 September 2022

Legal Implications

Under Regulation 53 of the Local Government Pension Scheme Regulations 2013, the Council, as the administering authority of the Pension Fund “is responsible for managing and administering the Scheme in relation to any person for which it is the appropriate administering authority under these Regulations”. Therefore, it is responsible for ensuring that the Pension Fund is administered in accordance with the Regulations and wider pensions law and other legislation. It discharges this obligation under the terms of a contract with Lancashire County Council dated 26th January 2022 which, in turn, sub-contracts its obligations to the Local Pensions Partnership Limited under a separate contract of the same date. The Service Levels are set out in the Addendum to Schedule 1 of the contract with Lancashire County Council. This report asks that the Pension Fund Committee notes the performance against those Service Levels.

Angela Hogan, Chief Solicitor (Contracts and Procurement), 27 September 2022

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Analysis of Pension Administration

The Hammersmith & Fulham Pension Fund began its new partnership with the Local Pension Partnership Administration (LPPA) on 26 January 2022.

1. This commencement of the service has been challenging as LPPA have been implementing and learning the new software (UPM), new processes and been hampered by system outage and errors as well as large call volumes.

Update on key areas

2. Employers – Ahead of this year’s valuation our Fund employers have had to submit their end of year data, which summarises all activity of membership for any employees that are in the Hammersmith & Fulham Pension Fund. There are more challenges this year than usual as 40% of employers have not

engaged with the new employer portal and therefore not submitted their data. LPPA's dedicated employer engagement team and the LBHF in house team are working hard to engage with the employers to obtain this key data to ensure the valuation exercise and the issuing of the annual benefit statements are not impacted. LPPA have also offered online training sessions for employers but attendance has been low.

3. **Guaranteed Minimum Pension (GMP)** – The GMP exercise is a mandatory exercise for all occupational pension schemes instructed by Department of Work and Pensions (DWP) to look at entitlement for this element of a member's pension. The LPPA team have processed 118 cases to date and identified overpayments totalling £75,000 and pension arrears of over £33,000. The Head of Pensions will continue to update the Committee on the progress and provide a summary once the project is completed. Pensioners pensions are being amended in time for the next available payrun but in line with advice from the Local Government Association the Fund will not be asking pensioners to pay back any overpayments.
4. **Pension Increases** – These are an annual exercise whereby any eligible pensioners are awarded an increase to their annual pension. As previously reported, there was a system issue that meant that 40 pensioners did not receive their pension increase until their August monthly payment however this was applied with arrears. Please note some of these unapplied increases predate LPPA providing services. Solution going forward for when these are put into payments to be backdated is.
5. **Budget** – The forecasted budget for the financial year 2022/23, for LBHF was a budget of £384,086. This has increased to £398,931 due to additional resourcing to support the valuation and system migration. Please note LPPA are a non-profit organisation and most costs are shared amongst all their clients.
6. **Backlog** – There are two backlogs of unprocessed cases within the Fund, one batch has been inherited from SCC where approx. 740 cases are waiting to be processed at additional cost of £ 67,477 plus VAT to the Fund. LPPA is a not for profit organisation and the Head of Pensions has reviewed the proposal and believes this is the best value option for the Fund. The backlog cases that arose directly after the commencement of the service with LPPA has now been completed. However ,in addition, there are likely to be other data quality areas to address on the Fund's data that will be highlighted further in the forthcoming valuation.
7. **Communications** – Contacting LPPA for our members, beneficiaries and employers has been challenging with 1006 calls to the LPPA Helpdesk over the period April – June 2022 inclusive. There has been a welcome improvement in the helpdesk experience for the Fund as most calls were answered within 3 minutes.
8. **Annual Benefit statements** – These were produced on time by LPPA for 80% of our active membership and 98% of our deferred membership. Those that were

not able to be sent out due to no updated information from the employer have been advised and will be sent a statement in November 2022.

9. Engagement – Whilst the commencement of the pension administration service has been very challenging for all stakeholders, there are positives to be drawn for the Fund. Such as the increased number members engaged on the online portal this has increased by 563 for the period April to June 2022 to 2379.
10. Valuation – The Head of Pensions has been working with LPPA and Hymans to ensure that data is submitted to the actuary ahead of the forthcoming valuation. LPPA were unable to meet the original data submission date of 30th June 2022 and The Head of Pensions worked with Hymans and LPPA to agree a revised submission date of 22nd July 2022 to avoid minimum impact on production of the valuation. This revised deadline was met to allow the actuary to progress the valuation process.
11. John Raison recommendations – The Head of Pensions has discussed the recommendations where there is an administration focus with the Chair and agreed an approach to prioritise the service delivery. The Head of Pensions is keen that updates will be provided to the Committee when a task has been completed and appropriate care and due diligence should be applied to tasks to ensure they are not actioned as a tick box exercise.

Conclusion

12. The pension administration service delivered by LPPA still has room for improvement. However, annual benefit statements were issued ahead of the statutory deadline and the data was submitted for the tri annual valuation. LPPA continue to work collaboratively with the Head of Pensions. The Head of Pensions continues to work with LPPA to improve this and that future reports will provide a truer reflection of the service the Fund should experience and the enhanced service LPPA can provide to its members and beneficiaries.

LIST OF APPENDICES

None.

Report to: Pension Fund Committee

Date: 06/10/2022

Subject: Discretionary Policy

Report author: Eleanor Dennis, Head of Pensions

Responsible Director: Sukvinder Kalsi, Director of Finance

SUMMARY

This report details the why there is a requirement for a discretions policy for the Hammersmith & Fulham Pension Fund and in Appendix 2 details the revised policy.

The report recommends that the Pension Fund Committee approves the revised discretionary policy, as set out in the Appendix 2 to this report, for the Hammersmith & Fulham Pension Fund. Approval and implementation fulfils the Council's obligations under the Local Government Pension Scheme Regulations 2013.

RECOMMENDATIONS

To approve the revised 2022 discretions policy for the Hammersmith & Fulham Pension Fund.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council tax payer.

Financial Impact

None.

Legal Implications

This report recommends that the Pension Fund Committee approves the revised discretionary policy statement, as set out in the Appendix 2 to this report, for the Pension Fund. Approval and implementation fulfils the Council's obligations under the Local Government Pension Scheme Regulations 2013.

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposal

1. The Local Government Pension Scheme regulations require employers who participate in the Local Government Pension Scheme (LGPS) to draw up and publish a discretions policy and to keep it under review. Discretions are powers that enable employers to choose how to apply the scheme in respect of certain provisions.
2. Discretions are powers that enable employers to choose how to apply the scheme in respect of certain provisions.
3. These have been compiled in accordance with the required pensions legislation and the LGPS regulations as detailed in Appendix 2 and the highlighted mandatory discretions.
4. All employers who participate in the Local Government Pension Scheme (LGPS) via the Hammersmith & Fulham Fund are required to prepare, publish and keep under a review a Discretionary Policy Statement on LGPS discretions which they have the power to exercise in relation to members of the Scheme
5. The Hammersmith & Fulham Pension Fund will require that every employer must send a copy of its discretionary policy statement to its Administering Authority which in this case is The London Borough of Hammersmith & Fulham.
6. If a Fund employer decides to amend a discretion they must send a copy to lbhf within one month of the decision to amend the policy.

Reasons for Decision

7. The recommendation is that the committee accept this revised discretionary policy which will replace the previous policy dated July 2020 with immediate effect.
8. Once approved impacting council policies will be updated in line with the agreed discretions.
9. Approval and implementation of the policy fulfils the Councils obligation under the Local Government Pension Scheme Regulations 2013.

LIST OF APPENDICES

Appendix 2 – Hammersmith & Fulham Discretionary Policy 2022

Appendix 2 - London Borough of Hammersmith & Fulham Pension Fund Discretion Policy

	Discretion	Regulation	LBHF Discretions Policy
Applicable to the Fund			
	Governance Policy must state if the admin authority delegates their function for a pension fund to a committee, a sub-committee or an officer of the admin authority, meetings, terms, structure, procedures and voting rights. Including local Pensions Board	R55	Governance Policy to be defined, published and reviewed as required and is detailed in the report and accounts.
Fund	Decide appointment procedures, terms of appointment and membership of local pension board	R107(1)	The constitution of the London Borough of Hammersmith & Fulham Local Pension Board can be found on the Local authority's website

Applicable to the Fund	Discretion	Regulation	LBHF Discretions Policy
	Decide on Funding Strategy for inclusion in funding strategy statement	R58	Funding Strategy Statement published and reviewed at least every three years
	Whether to have a written pensions administration strategy	R59(1) & (2)	The current administration strategy is under review.
	Communication policy must set out the policy on provision of information, frequency & method for communicating with, members, representatives of members, prospective members and Scheme employers; the format, frequency and method	R61	The Communication policy is under review.
	Date to which benefits on annual benefit statement are calculated	R89(5)	31 March of each year

Applicable to Fund Employers	Discretion	Regulation	LBHF Discretions Policy
Admission Agreement	Whether to agree to an admission agreement with a body applying to be an admission body	R5(5) & RSch 2, Part 3, para 1	The Administering Authority will consider an admission agreement with a body, subject to the body showing long term financial security by either a guarantee from a scheduled employer or with the provision of a financial bond. The Administering Authority will consider an admission agreement of a body as a result of a transfer of services or assets from a scheme employer or relates to the body that exists as a result of being specifically set up by a local authority, subject to showing long term financial security by either a guarantee from a scheduled employer or with the provision of a financial bond.
Payment	Decide frequency of payments to be made to Fund by employers and whether to make an admin charge	R69(1)	Payments will be made monthly and paid over by 19th of the following month. Any administration charges to be reviewed as part of the Administration Strategy.
Admission Agreement	Whether to agree that an admission agreement may take effect on a date before the date on which it is executed.	RSch2, Part 3, para 14	The Administering Authority will consider any cases on an individual basis.
	Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance	R70	The terms of this will be detailed within the Administration Policy which is currently under review.

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
Admission Agreement	Whether to terminate a transferee admission agreement in the event of:- insolvency, winding up or liquidation of the body.- breach by that body of its obligations under the admission agreement.-failure by that body to pay over sums due to the Fund.	RSch 2, Part 3, para 9(d)	In the event of insolvency, winding up or liquidation the Fund would always terminate the agreement. Any breach by the Admission Body of any of its obligations under the Agreement that they have failed to remedy to the satisfaction of the Fund such as the failure by the Admission Body to pay any sums due to the Fund within the period required by the Fund. The failure by the Admission Body to renew or adjust the level of the bond or indemnity, or to confirm an appropriate alternative guarantor, as required by the Fund; or on termination of a deferred debt agreement will be decided on a case by case basis by the Pension Fund Committee.
Contribution rate	Whether to obtain revision of employer's contribution rate if circumstances which make it likely to become an exiting employer or significant events	R64(4)	Any revision of employer contributions rates will be made on advice from the Pension Fund's Actuary and in accordance with the Administering Authority's Funding Strategy Statement.
	Specify info to be supplied by employers to enable admin. authority to discharge its functions	TP23, R80(1)(b) & TP22(1)	The Administering Authority has set out employing body responsibilities in the Pensions Administration Strategy. These are also detailed on the LGPS Technical website. These will be supplemented by bulletins and targeted information and guidance on specific administrative processes as per the links LPPA Website LGPS Regs website

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
	Whether admin. authority should appeal against employer decision (or lack of a decision)	R79(2), TP23	The Administering Authority will consider any cases on an individual basis and, where necessary, an appeal will be made when it is believed that action or inaction by an employer is incorrect under law and is material
IDRP	Decide procedure to be followed by admin authority when exercising its stage two IDRP functions and decide the manner in which those functions are to be exercised	TP23 & R76(4)	The Administering Authority has set out its procedures in the Internal Disputes Resolution Procedure (*IDRP) which is accessible from the LPPA's website.
	Whether to charge interest on payments by employers which are overdue	R71, L82(1)	Interest may be charged on contributions paid more than 1 month after the due date in accordance with the Pensions Administration Strategy. Interest will be charged in accordance with regulation 44 which states that interest should be charged at Bank of England Base Rate plus one percent. See Fund website.
	Decide form and frequency of information to accompany payments to the Fund	R69(4), L81(5)	Each payment to the Pension Fund must be accompanied with a schedule, in the format and submitted by the method prescribed by the Administering Authority and in accordance with the Pensions Administration Strategy.
	Decide frequency of payments to be made over to Fund by employers and if admin charge	R69(1), L81(1), L12(5)	Contributions must be paid on a monthly basis at the rates set by the Pension Fund's actuary. Payments must be received no later than the 19th calendar day of the month following the month of deduction in accordance with Local Government Pension Scheme Regulations & Pensions Administration Strategy, unless otherwise agreed by the Administering Authority.

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
Policy	Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective members and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.	R61	The Administering Authority's Communication Strategy has been formulated and is kept under review. The Policy is published annually as part of the Annual Report and Accounts and is accessible from the Pension Fund's website.
Policy	Whether to have a written pensions administration strategy and, if so, the matters it should include	R59(1) & (2)	The Administering Authority's Pensions Administration Strategy (PAS) is being formulated and will be kept under review. Employers are consulted on changes to the Strategy which is approved by the Pensions Committee. The Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective members and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers. R61 Communication Policy Statement

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
Policy	Decide on Funding Strategy for inclusion in funding strategy statement	R58*	The Administering Authority's Funding Strategy has been formulated in conjunction with the Pension Fund's Actuary and is kept under review. Employers are consulted on changes to the Strategy which is approved by the Pensions Committee. The Funding Strategy Statement is published annually as part of the Annual Report and Accounts which is accessible from the Pension Fund's website
Policy	Governance policy must state whether the admin authority delegates their function of part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the admin authority and, if they do so delegate, state	R55*	The Administering Authority's Governance Compliance Statement has been formulated and is kept under review. The Statement is published annually as part of the Annual Report and Accounts and is accessible from the Pension Fund's web page
Actuarial reduction	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. R30(8) Employer (or Admin. Authority where Employer has become defunct)	R30(8),	The administering authority will not wish to adopt this policy as it needs to ensure the effective use of financial resources. The Admin. Authority will exercise this discretion where the employer is defunct.

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
Actuarial Strain costs	Whether to require any strain on Fund costs to be paid “up front” by employing authority following payment of benefits under R30(6) (flexible retirement), R30(7) (redundancy / business efficiency), or before age 60 under B30 of B30A the waiver (in whole or in part) under R30(8) of any actuarial reduction that would be applied to benefits which member voluntarily draws before normal pension age or to benefits drawn on flexible retirement	R68(2), TPSch2, para 2(3)	To be paid by employers promptly on receipt of invoice after retirement has been processed.
Ill health	Approve medical advisors used by employers (for ill health benefits)	R36(3), L97(10), A56(2)	Unless exceptional circumstances are identified IRMP's will always be approved where the qualification criteria set out under the regulations

Applicable to Employers	Discretion	Regulation	LBHF Discretions Policy
Ill health	Whether to use a certificate produced by an IRMP under the 2008 scheme for the purposes of making an ill health determination under the 2014 scheme	TP12(6)	The administering authority will always ask that the IRMP complete the correct certificate. The Admin. Authority will exercise this discretion where the employer is defunct.
Ill health	Whether to use a certificate produced by an IRMP under the 2008 scheme for the purposes of making an ill health determination under the 2014 scheme	TP12(6)	The administering authority will always ask that the IRMP complete the correct certificate. The Admin. Authority will exercise this discretion where the employer is defunct.
Death	Decide to whom death grant is paid	TP17(5) to (8) & R40(2), R43(2) & R46(2) B23(2) & B32(2) & B35(2) & TSch1 & L155(4) 38(1), SE8	Discretion will be exercised in the following manner: 1. If there is a valid nomination form, the death grant will usually be paid to the nominated beneficiaries in the proportions specified, but each case will be assessed on its merits. 2. In other cases, the death grant may be paid to the deceased member's personal representative(s) or any person appearing to have been the member's relative or dependant at any time. 3. Death grants paid to the deceased member's personal representative(s) that do not exceed £5,000 limit set out in the Administration of Estates (Small Payments) Act 1965, will normally be made without the need for Letters of Administration/Grant of Probate 4. The Administering Authority will require a formal declaration for death grants payable to a child under the age of 18. Any payment to a child will require a Trust Fund or bank account in their name, unless in exceptional circumstances.

Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Ill health	Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner.	R38(3)	The administering authority will make a determination having regard to the independent medical advisors recommendation. The Admin. Authority will exercise this discretion where the employer is defunct. The member will be expected to engage with the review otherwise payment of the benefit will cease.
Ill health	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	R38(6)	The administering authority (via Head of Pensions) will make a determination having regard to the independent medical advisors recommendation. If the Fund determines that a member is in gainful employment whilst in receipt of this benefit. The Fund may cease the benefit and seek to recover overpaid benefit.

Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Death	Whether to pay the whole or part of the amount that is due to the representatives (including anything due to the deceased member at the date of death) to: • the representatives, or • anyone who is beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount in s6 of the Administration of Estates (Small Payments) Act 1965	R82(2), A52(2), L95 TP17(5) to (8) & R40(2), R43(2) & R46(2)	The Head of Pensions will exercise discretion in the following: 1. If there is a valid nomination form, the death grant will usually be paid to the nominated beneficiaries in the proportions specified, but each case will be assessed on its merits. 2. In other cases, the death grant may be paid to the deceased member's personal representative(s) or any person appearing to have been the member's relative or dependant at any time. 3. The Administering Authority (via the Head of Pensions) may ask for any further information that it deems necessary including a copy of the deceased will.
	Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay	TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & TSch1 & L23(9)	The administering authority (via the Head of Pensions) will consider each case, to ensure no detriment is suffered by the member

	figure to use in the benefit calculations		
Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Death	Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	R17(12)	The administering authority would replicate the decision made when deciding payment of the Death Grant
Incapacity	Whether, where a person is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	R83, A52A, B27(5), L47(2), SG11(2)	The Administering Authority will consider each case on an individual basis on receipt of Power of Attorney or relevant paperwork and, where appropriate, having established an appropriate beneficiary, will require a formal declaration that the pension will be used for the benefit of the member
Additional Pension Contribution(APC) Shared Cost Additional Pension Contribution (SCAPC)	Whether to refuse a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and	R16(1)	The administering authority (via Head of Pensions) will consider each request on a case by case basis in consultation with the Employer

	could be paid as a single payment)		
Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
APC	Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC	R16(10)	Where the APC/SCAPC is to buy extra pension (and not 'lost days') then satisfactory medical clearance from registered medical practitioner is required if the member is within 10 years of scheme retirement and is looking to purchase more than £100 of additional pension
APC	Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	R16(10)	The report of the registered medical practitioner will be upheld by the Head of Pensions if such opinion is held.
Spouse pension	Whether to pay spouse's pensions for life (rather than ceasing during any period of remarriage or co-habitation).	SF7	The Fund will continue to pay spouses benefits that are in payment for life, rather than cease the benefits should the spouse subsequently remarry or co-habit.
AVC	Whether to charge member for provision of estimate of additional pension that would be provided by the Scheme in return for transfer of in house AVC/SCAVC funds	TP15(1)(d) & A28(2)	The administering authority will not charge either the member or the former employer

Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Added Years	Extend time period for capitalisation of added years contract	TP15(1)(c) & TSch1 & L83(5)	The administering authority will not extend the period for capitalisation of added years contract
Children's Pension	Apportionment of children's pension amongst eligible children	47(1), SG11(1)	The Administering Authority(via the Head of Pensions) has determined that pension benefits will be divided equally between eligible children and, in the event that a child is no longer eligible, then the pension for the remaining children will be recalculated.
APC	Extend time period (30 days) for capitalisation of added years contract where the member leaves employment by reason of lost (ie strike, child related absence).	TP15(1)(c) & TSch1 & L83(5)	The Administering Authority (via the Head of Pensions) will consider each case on its merits having regard to the facts of the particular case. In general, the option period shall be three months from the date that the member has been notified of the costs of the added years contract. Will not apply.
Abatement	Decide policy on abatement of pre 1 April 2014 element of pensions in payment following re employment	TP3(13) & A70(1) & A71(4)(c)	The Hammersmith & Fulham Fund does not enforce abatement of pensions to re employed staff The Administration will not adopt this policy and will not require the abatement of any pension in payment

Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Cohabiting Partner	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member	RSch 1 & TP17(9)(b)	The Head of Pensions will consider the point that any benefits become payable, and will require documentary evidence to provide proof of cohabiting for a continuous period of at least 2 years immediately prior to the member's death. i.e. evidence of shared bills or mortgage/rent documentation. The required conditions are: • both the member and their co-habiting partner were free to marry each other or to enter into a civil partnership with each other, and • the member and their co-habiting partner have been living together as if they were husband and wife, or civil partners, and • neither the member or their co-habiting partner have been living with someone else as if they were husband and wife or civil partners, and • either the co-habiting partner is financially dependent on the member or they are financially interdependent on each other.
Child benefit	Decide to treat child (who has not reached the age of 23) as being in continuous full -time education or vocational training despite a break	RSch 1 & TP17(9)(a)	The Head of Pensions will give consideration to each case to identify whether the break is fundamental to the overall qualification, or whether it was a true break. The spirit of the regulation is to permit reinstatement of the pension where the break was part of the overall qualification plan.
Death	Where member to whom use of average of 3 years pay for final pay purposes, dies before making an election, whether	TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & TSch 1 & L23(9) B10(2)	Where it appears to the Fund that if the member had made such an election, it would have been beneficial in the calculation of death benefits, then the Fund will make the election on behalf of the deceased member

	to make election on behalf of the member		
Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Transfers	Allow transfer of pension rights into the Fund	R100(7)	The Fund will accept transfer values from other pension arrangements.
Transfers	Extend normal time limit of 12 months since LGPS membership for acceptance of a transfer value	R100(6)	The Administering Authority (via the Head of Pensions) will consider each case on its merits with regard to the facts of the particular case.
Transfers	Agree to bulk transfer payment	R98(1)(b)	The Administering Authority will consider bulk transfer payments where appropriate based on advice obtained from the Pension Fund's Actuary, in agreement with : (i) the administering authority, (ii) the Scheme employer (if different), and (iii) the trustees or managers of the new scheme
85 year rule	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch2, paras 1(2) and 2(2)	The Administering Authority will only adopt this rule for active members a. The administering authority will not wish to adopt this policy for deferred members or those choosing Flexible retirement as it needs to ensure the effective use of financial resources. The Admin. Authority will exercise this discretion where the employer is defunct.

Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
Service	Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	TP10 (9)	The administering authority (via the Head of Pensions) ,will consider each case, to ensure no detriment is suffered by the member
Pension benefits	Decide whether to commute small pension	R34(1)	The Administering Authority will apply this In line with HMRC guidance
Pension Benefits	Decide whether it wishes to offer voluntary scheme pays	2	The Administering Authority does not currently offer this facility for its members
Flexible Retirement	Whether all or some benefits can be paid if an employee reduces their hours	R30	R30(6) & TP11(2)

	or grade (flexible retirement).		
Applicable to Members and Beneficiaries	Discretion	Regulation	LBHF Discretions Policy
apc			

Key to Regulations

The Local Government Pension Scheme (Administration) Regulations 2013 [prefix R]

The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP] (Prefix 2)

The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]

The Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007 (as amended) [prefix B]

The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]

The Local Government Pension Regulations 1997 (as amended) [prefix L]

The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011 [SI 2011/1791]

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006