



The Surrey Local Pension Board 17 January 2019

The Discretions Exercise report

Recommendations:

1. The Board is asked to **note** the content of this report and **make recommendations** to the Pension Fund Committee if appropriate.

Background

2. The Administering Authority conducted an exercise designed to encourage employers to complete discretions policies. This was rolled-out as part of a dual initiative designed to draw their attention to the offer of professional support should they have any pensions appeals and to provide a comprehensive support package to motivate them to prepare a discretions policy.

Detail

3. The initial results were very disappointing and the first two mailshots generated a lot a queries but no completed policies. We double-checked our contact lists, although relatively few e-mails bounced, but we could not identify an obvious reason for the lack of engagement.
4. The third mailshot produced a lot of interest (especially questions) and 14 completed policies. It is encouraging to note that almost all the policies are from employers who had not previously published one; however, the employers who had already published policies had not made amendments to account for the 2018 amendment regulations.
5. The following table sets out the classes of employing authority who have published new policies below;

County Council	
Borough Council's	1
Academies	11
Companies (outsourced)	2
Designating Bodies	
Tier 3 Employers	

6. The original intention was to send out a mailshot and a follow up before telephoning the larger employers (more than 500 employees) to encourage them to complete a policy. However, experience to date indicates that persistence is required. In view of this, we will send out another mailshot in the middle of January before initiating the telephone exercise.
7. The package issued is supportive, informative and provides employers with everything they need to complete a policy. The most policy averse employers have been encouraged by the provision of an example of a standard template policy which they can adopt.
8. The Chairman of the Local Pension Board will write to key contacts in the employing authorities as part of a coordinated drive to elicit a better response.
9. This approach will be monitored and the Local Pension Board may consider placing modest sanctions on employers who fail to comply, through the Pensions Administration Strategy.

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Sources/background papers:

Annexes: None