

MEETING: **North Wales Corporate Joint Committee (the CJC)**

DATE: **13 January 2023**

SUBJECT: **Pensions: Local Government Pension Scheme (LGPS) administrating authority for the North Wales CJC**

CONTACT OFFICER: **Alwen Williams, the CJC's Chief Executive**

No decision sought, for information only

1. Introduction / Background

On 14 December 2022, the Welsh Government notified CJC officers that they were optimistic regarding the proposed timetable for changes to UK legislation, meaning the CJC's issues regarding corporation tax, income tax and borrowing powers will be resolved by the end of this financial year through implementing a 'Section 150 Order'.

2. LGPS administrating authority for the North Wales CJC

The same message sought an urgent response from each region notifying the Welsh Government which Local Government Pension Scheme (LGPS) administrating authority we wish to choose for our CJC.

A response was required by Thursday 22 December – a short deadline to enable the UK Government to quickly progress the development of the 'Section 150 Order'.

In the absence of an indication to the Government, the administering authority would be determined by the statutory process, with no practical means of subsequently reviewing the position.

3. Options Considered

The options for us (LGPS administrating authorities in north Wales) were Flintshire Council (Clwyd Pension Fund) and Gwynedd Council (Gwynedd Pension Fund).

Insofar as pension benefits for prospective CJC employees are concerned, it makes no difference which administrating authority is chosen - the schemes are identical.

4. Relevant Factors

Current Ambition North Wales employees within the regional Portfolio Management Office are members of the Gwynedd Pension Fund. If/when Ambition North Wales and the CJC merge to deliver on promotion of economic well-being, then transferring existing Gwynedd pension members to the Clwyd Pension Fund (Flintshire) would create an unnecessary administrative burden.

Given that Ambition North Wales and the regional Portfolio Management Office team lead on regional economic well-being initiatives, such as delivery of the North Wales Growth Deal, it is assumed that future arrangements could see employees transfer into the CJC, therefore maintaining the same pension arrangements is logical. It is not possible, at this time, to predict where Planning and Transport officers will be recruited from.

5. Urgent Consultation and Decision

CJC officers sought views from the Chair, Vice-Chair and CEO of the CJC, who unanimously agreed that Gwynedd Council should be the LGPS administrating authority for the North Wales Corporate Joint Committee.

Officers also consulted with the Head of Clwyd Pension Fund and with the Chief Finance Officer (Section 151) at Flintshire County Council. Both confirmed, on behalf of the Clwyd Fund / Flintshire Council, that it makes sense for the CJC to use Gwynedd Pension Fund.

6. Response sent to the Welsh Government

Ideally, this would have been the subject of a Joint Committee decision, but the Welsh Government required an urgent response, and obviously we didn't want to give the UK Government any excuse to defer the 'Section 150 Order' again, as there is a real VAT cost associated with delaying.

Consequently, CJC officers responded to the Welsh Government on 21 December officially confirming that our region has chosen to use the Gwynedd Pension Fund, i.e. Gwynedd Council will be the LGPS administrating authority for the CJC.

This report is submitted for information to the CJC meeting on 13th January, noting that this was decided and acted upon within the Welsh Government's deadline.

RECOMMENDATION

The North Wales Corporate Joint Committee is asked to note this report's contents, for information.

VIEWS OF THE STATUTORY OFFICERS

Monitoring Officer

I can confirm that the circumstances outlined in the report reflect the narrow window which was provided to give an indication of the preferred administering authority to Welsh Government.

We can expect that this wish will be reflected in the "Section 150 Order" (Government of Wales Act 2006) to follow.

Statutory Finance Officer

I have worked with the author to prepare this report and confirm the contents.