

## WEST NORTHAMPTONSHIRE COUNCIL

### Pension Committee

27/07/2021

Mark Whitby – Head of Pensions

<b>Report Title</b>	<b>Administering authority discretions policy</b>
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<b>West MO</b>	Geoff Wild on behalf of Catherine Whitehead	29/6/2021
<b>West S151</b>	James Smith on behalf of Martin Henry	13/7/2021
<b>Head of Pensions</b>	Mark Whitby	24/6/2021

#### List of Appendices

Appendix A – Northamptonshire Pension Fund– Proposed statement of policy on Administering Authority Discretions

#### **1. Purpose of Report**

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- 1.1. To seek approval for an “Administering Authority Discretions Policy” for the Northamptonshire Pension Fund.

#### **2. Executive Summary**

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- 2.1 West Northamptonshire Council as administering authority to the Northamptonshire Pension Fund are required to formulate policy decisions for all areas where the Local Government Pensions Scheme legislation allows discretion.
- 2.2 The appendix to this report provides a comprehensive “Administering Authority Discretions Policy” for approval based on that which was in place when Northamptonshire County Council was the Northamptonshire Pension Fund’s administering authority.

#### **3. Recommendations**

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- 3.1 The Pension Committee is asked to approve the “Administering Authority Discretions Policy” provided in Appendix A to this report.

#### **4. Report Background**

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- 4.1 There are a number of areas within Local Government Pension Scheme legislation that provide either the administering authority (West Northamptonshire Council) or individual employers participating in the Fund with flexibility over how the particular provision is exercised.
- 4.2 This report presents a comprehensive “Administering Authority Discretions Policy” for consideration by the Pension Committee. The proposed policy is only dealing with the discretions required to be exercised by West Northamptonshire Council in its role as the administering authority. These policy decisions will apply to all employers and scheme members in the Northamptonshire Pension Fund and not just West Northamptonshire Council.
- 4.3 Until this Policy is agreed the Fund has been operating on a day to day basis using the existing Policy agreed by the previous Pension Committee.

#### **5. Issues and Choices**

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- 5.1 On the whole, administering authority discretions have little risk attached to them and relate to day to day operational matters.
- 5.2 On 14 December 2018, the previous Pension Committee of Northamptonshire County Council agreed the set of proposed policies as detailed in Appendix A, following the introduction of the Local Government Pension Scheme (Amendment Regulations) 2018. These regulations brought a number of changes in relation to the discretions that required reflecting in the “Administering Authority Discretions Policy” which had not required update since the introduction of the new-look Local Government Pension Scheme which came into effect on 1 April 2014.
- 5.3 On 16 October 2020, the previous Pension Committee agreed for the “Administering Authority Discretions Policy” to be updated to reflect an amendment to the Local Government Pension Scheme Regulations 2013 (regulation 64 paragraph 2ZC) that allowed administering authorities some discretion when determining whether or not an exit credit is payable, and if so, the value of that exit credit.
- 5.4 A further review has taken place and there have been no further amendments to the Regulations that require inclusion within the Policy. Therefore no material changes have been made to the Policy other than to update references to the name of the administering authority.

#### **6. Implications (including financial implications)**

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##### **6.1 Resources and Financial**

- 6.1.1 There are no resources or financial implications arising from the proposals.

##### **6.2 Legal**

- 6.2.1 There are no legal implications.

##### **6.3 Risk**

6.3.1 The mitigated risks associated with this report has been captured in the Fund’s risk register as detailed below -

Risk	Residual risk rating
Failure to administer the scheme in line with regulations and policies.	Green
Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	Green
Failure to administer the scheme in line with regulations and guidance	Green

Please see the [Northamptonshire Pension Fund Risk Register](#) for full details

#### 6.4 Relevant Pension Fund Objectives

6.4.1 The following objectives have been considered in this report -

- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund’s stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.

#### 6.5 Consultation

6.5.1 Not applicable.

#### 6.6 Climate Impact

6.6.1 Not applicable.

### 7. Background Papers

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7.1 Not applicable.