

REPORT TO: POLICY & RESOURCES COMMITTEE - 13 JUNE 2011

REPORT ON: LEISURE AND CULTURE DUNDEE

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 260-2011

1 PURPOSE OF REPORT

- 1.1 This report seeks agreement of the Committee to the admission of Leisure and Culture Dundee to the Local Government Pension Scheme as a Community Admission Body.

2 RECOMMENDATIONS

- 2.1 Leisure and Culture Dundee will be established as an arms length charitable organisation, a Scottish Charitable Incorporated Organisation (SCIO), to deliver leisure, sport, library and cultural services on behalf of Dundee City Council and its staff will be transferred from Dundee City Council and Dundee Leisure. It is recommended that the Committee agree that from the date it comes into being, Leisure and Culture Dundee is admitted to the Local Government Pension Scheme as a Community Admission Body and to make and enter into an appropriate admission agreement. The Committee is also asked to agree that Dundee City Council will act as guarantor.

3 FINANCIAL IMPLICATIONS

- 3.1 As staff are transferring from Dundee City Council and Dundee Leisure there will be no additional liabilities on the council.

4 BACKGROUND

- 4.1 Under regulation 4(2)(a) of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, the administering authority may admit a "Community Admission Body" into the Local Government Pension Scheme providing they meet the requirements of regulation 6 of those regulations. Any admission body then has the same rights and liabilities as the local authorities in the scheme. Leisure and Culture Dundee could become a "Community Admission Body", as it would provide a public service in the United Kingdom otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest.
- 4.2 At the Policy and Resources Committee on 10 February 2011, Report No 71-2011 was approved, thereby approving the establishment of an arms length charitable organisation to deliver leisure, sport, library and cultural services on behalf of Dundee City Council.

- 4.3 At a further meeting of the Policy & Resources Committee on 14 March 2011, Report No 147-2011 was approved, following the advice of the independent legal advisers, Burness, thereby agreeing to set up the new organisation as a Scottish Charitable Incorporated Organisation (SCIO). The draft Constitution for Leisure and Culture Dundee was approved for submission to OSCR by the Policy & Resources Committee on 25 April 2011.
- 4.4 Report No 131-1996 to the Finance Committee of 10 June 1996 lays down the conditions to apply before a body can be considered for admission into the Local Government Pension Scheme administered by Dundee City Council.
- 4.5 The Finance Committee at its meeting on 10 June 1996 agreed detailed criteria, of which one must be met if the body's admission to the Local Government Pension Scheme was to be submitted to the Finance Committee. These criteria are as follows:
- i bodies with long-term funding (in excess of 20 years)
 - ii bodies who have been in existence for at least 10 years and who have foreseeable long-term future in existence.
 - iii bodies with short-term funding where another substantive body is prepared to act as guarantor
 - iv bodies where the employees were formerly Local Government staff.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONCLUSIONS

In view of the fact that Leisure and Culture Dundee are taking over employees of Dundee Leisure and Dundee City Council and will provide a public service in the United Kingdom otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest it is recommended that Leisure and Culture Dundee is granted admission to the Local Government Pension Scheme as a Community Admission Body. In view of the funding position Dundee City Council should act as guarantor.

7 CONSULTATION

The Chief Executive and Depute Chief Executive (Support Services) have been consulted in the preparation of this report

8 BACKGROUND PAPERS

8.1 None.

**MARJORY M STEWART
DIRECTOR OF FINANCE**

07 JUNE 2011