

REPORT TO: FINANCE COMMITTEE - 11 JUNE 2001

REPORT ON: TAYSIDE BUSINESS GATEWAY - ADMISSION TO LOCAL GOVERNMENT PENSION SCHEME

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 339-2001

1 PURPOSE OF REPORT

Following on Report No 131/96 to the Finance Committee of 10 June 1996, which laid down the conditions to apply before a body could be considered for admission into the Local Government Pension Scheme administered by Dundee City Council, Tayside Business Gateway has applied for membership and the Committee is requested to consider their application.

2 RECOMMENDATION

It is recommended

- i that the Committee agree to Tayside Business Gateway being admitted into the Local Government Pension Scheme administered by Dundee City Council, and
- ii that the Committee agree to act as financial guarantor for a relevant proportion of any potential liability that may arise as a result of the withdrawal or cessation of Tayside Business Gateway as an Admitted Body to the Local Government Pension Scheme.

3 FINANCIAL IMPLICATIONS

Perth & Kinross Council and Angus Council have agreed to act as financial guarantor for an appropriate proportion of any potential liability that may arise as a result of the withdrawal or cessation of Tayside Business Gateway as an Admitted Body to the Local Government Pension Scheme. The appropriate proportion is to be based on the Registrar General's population figures for each local authority area at the time of withdrawal or cessation. Dundee City Council would be required to act as financial guarantor for the remaining proportion based on the same criteria.

4 LOCAL AGENDA 21 IMPLICATIONS

None

5 EQUAL OPPORTUNITIES IMPLICATIONS

None

6 BACKGROUND

- 6.1 Under the Local Government Pension Scheme (Scotland) Regulations 1998, the Administering Authority has the right to admit other bodies into the Local Government Scheme providing they meet the requirements of Regulation 4(8) of these Regulations. Any body admitted then has the same rights and liabilities as the local authorities in the scheme.
- 6.2 The Tayside Business Gateway qualifies under Regulation 4(8)(a) "a body which provides a public service in the United Kingdom otherwise than for the purposes of gain".

- 6.3 The Finance Committee at its meeting on 10 June 1996 agreed detailed criteria, of which one must be met if the body's application for admission to the Local Government Pension Scheme was to be submitted to the Finance Committee. These criteria were 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 a 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.
- 6.4 Tayside Business Gateway is an amalgamation of the Dundee Business Shop, the Perth & Kinross Business Shop and the Angus Business Shop, all of which are currently Admitted Bodies under the Local Government Pension Scheme administered by Dundee City Council. Dundee, Perth & Kinross and Angus previously agreed to act as guarantor for their respective Business Shops.

7 **CONCLUSIONS**

In view of the agreement of Perth & Kinross and Angus to act as guarantors for the amalgamated body, it would be appropriate for the Tayside Business Gateway to be admitted into the Local Government Pension Scheme administered by Dundee City Council and for Dundee City Council to act as financial guarantor for a relevant proportion (based on population) of any potential liability which arose as a result of the withdrawal or cessation of Tayside Business Gateway as an Admitted Body to the Local Government Pension Scheme.

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BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.