

ITEM No ...9.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD– 3 DECEMBER 2018

REPORT ON: APPLICATION FOR ADMITTED BODY STATUS

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 387-2018

1 PURPOSE OF REPORT

This report seeks agreement of the Sub-Committee to admission of a new body to be set up following a procurement exercise by the Scottish Fire & Rescue Service into the Local Government Pension Scheme as an Admission Body. Currently the name of the successful bidder under the procurement exercise is not known.

2 RECOMMENDATIONS

It is recommended that the Sub-Committee agree that from the date of contract, and for the period of their current contract (3 years plus option to extend for 1 further year), that the successful bidder is admitted to the Local Government Pension Scheme as an Admission Body and to make and enter into an appropriate admission agreement.

3 FINANCIAL IMPLICATIONS

There will be no additional liabilities on the Fund as the Scottish Fire & Rescue Service agree to provide an appropriate guarantee to cover the employer's liabilities. Furthermore, the Scottish Fire & Rescue Service will also cover the cost of actuarial calculation (as per the report provided by Barnett Waddingham, the Fund Actuary)

4 BACKGROUND

Under Schedule 2, Part 2, paragraph 1(a) and (b) of The Local Government Pension Scheme (Scotland) Regulations 2018, the administering authority may admit an "admission body" into the Local Government Pension Scheme providing they meet the requirements of those regulations. Any admission body then has the same rights and liabilities as the local authorities in the scheme. The successful bidder could become an "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.

The Local Government Pension Scheme (Scotland) Regulations 2018 lays down the conditions to apply before a body can be considered for admission into the Local Government Pension Scheme.

The following bodies are admission bodies with whom an administering authority may make an admission agreement—

- a) a body which provides a public service in the United Kingdom which operates 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 (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise);
- (b) a body, to the funds of which a Scheme employer contributes;
- (c) a body representative of-
 - (i) any Scheme employers; or

- (ii) local authorities or officers of local authorities;
- (d) a body that is providing or will provide a service or assets in connection with the exercise of a function of a Scheme employer as a result of-
 - (i) the transfer of the service or assets by means of a contract or other arrangement; or
 - (ii) any provision in any enactment;
- (e) a body which provides a public service in the United Kingdom and is approved in writing by the Scottish Ministers for the purpose of admission to the Scheme.

5 CONCLUSIONS

In view of the fact that the successful bidder are taking over employees of Scottish Fire & Rescue 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 the successful bidder is granted admission to the Local Government Pension Scheme as a Community Admission Body.

6 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of sustainability, strategic environment assessment, anti poverty, equality impact assessment, privacy impact assessment and risk management.

There are no major policy issues

7 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services were consulted in the preparation of this report.

8 BACKGROUND PAPERS

None

GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES **26 NOVEMBER 2018**