

ITEM No ...5.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD– 7 MARCH 2016

REPORT ON: ADMISSION AGREEMENT CULTURE PERTH & KINROSS

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 94-2016

1 PURPOSE OF REPORT

This report seeks agreement of the Sub-Committee to the admission of Culture Perth & Kinross to the Local Government Pension Scheme as an Admission Body.

2 RECOMMENDATIONS

Culture Perth & Kinross will be established as an arms length charitable organisation, a company limited by guarantee, to deliver leisure and cultural services on behalf of Perth & Kinross Council and its staff will be transferred from Perth & Kinross Council as at 1st April 2016. It is recommended that the Sub-Committee agree that from the date it comes into being, Culture Perth & Kinross is admitted to the Local Government Pension Scheme as an Admission Body and to make and enter into an appropriate admission agreement. The Sub-Committee is also asked to note that Perth & Kinross Council will act as guarantor for the new organisation.

3 FINANCIAL IMPLICATIONS

As staff are transferring from Perth & Kinross Council, there will be no additional liabilities on the Fund.

4 BACKGROUND

Under Schedule 2, Part 2, Paragraph 1(a) and (b) of The Local Government Pension Scheme (Scotland) Regulations 2014, 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. Culture Perth & Kinross 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 2014 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 Culture Perth & Kinross are taking over employees of Perth & Kinross 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 Culture Perth & Kinross is granted admission to the Local Government Pension Scheme as a Community Admission Body. In view of the funding position Perth & Kinross Council will act as guarantor to the liabilities of the body to pay all amounts due from it under the 2014 regulations.

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

MARJORY M STEWART
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

29 FEBRUARY 2016