

ITEM No ...4.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD– 7 DECEMBER 2015

REPORT ON: SERVICE LEVEL AGREEMENT WITH ADMINISTERING AUTHORITY

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 450-2015

1 PURPOSE OF REPORT

This report informs of the intention to negotiate a formal service level agreement with Dundee City Council as administering authority for Tayside Pension Fund.

2 RECOMMENDATIONS

It is recommended that Members of Sub-Committee note the contents of the report and the intention to enter into a service level agreement for a period of 3 years which will be subject to full review at the end of period, but also contain scope to review in the interim should any material change to service occur.

3 BACKGROUND

As the Administering Authority for the Tayside Pension Fund and the Tayside Transport Fund, Dundee City Council provides the staffing and support services for all the services provided within the Fund. Primarily this includes Pensions Administration and Investments.

Since the Fund's inception, Dundee City Council have annually recharged the fund for services provided. As noted above, the Council employ the staff as well as provide payroll and business support services, serviced premises, IT infrastructure and specialist legal support. To date there has been no formalisation of this arrangement. A formal Service Level Agreement will provide both certainty for the pension fund budget as well as a clear segregation of service between the Council and the Fund.

4 FINANCIAL IMPLICATIONS

The annual recharge from Dundee City Council has remained largely static over the last 3 years, and the agreed recharge costs will be in line with those shown below:

Dundee City Council Annual Recharge to Tayside Pension Fund			
Year	2014/15	2013/14	2012/13
Main Fund	£1,063,775.86	£1,062,925.55	£1,053,406.69
Transport Fund	£15,068.14	£15,769.45	£25,675.31
Total Recharge	£1,078,844.00	£1,078,695.00	£1,079,082.00

The above costs are continually monitored and benchmarked with other Local Authority Pension Funds within Scotland to ensure that they continue to provide value for money to the Pension Fund.

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 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report

7 BACKGROUND PAPERS

None

**MARJORY M STEWART
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

27 NOVEMBER 2015