

PENSIONS COMMITTEE – 25 NOVEMBER 2004

ADMISSION TO THE COUNCIL'S PENSION SCHEME

SUMMARY

This report considers the admission to the Council's Pension Scheme of staff to be employed by Inspire Community Trust as a result of the transfer of the Council's physical and sensory impairment services to it. Inspire Community Trust will accept the transfer, under TUPE regulations, of staff employed by the Council at the date of transfer. The admission of the body to the Pension Scheme will ensure that the staff's existing pension rights are maintained and protected.

RECOMMENDATIONS That

- (1) Subject to the conditions of the Local Government Pension Scheme, and Cabinet approval to the transfer of services to Inspire Community Trust, the admission to the Council's Pension Scheme be approved for Inspire Community Trust in respect of those staff entitled to join the Council's pension scheme at the date of transfer and who are transferring to Inspire Community Trust, together with new staff recruited by the organisation following the date of transfer.
- (2) Admission be subject to the above body paying to the Council:-
 - i) the employees' contributions;
 - ii) the employer's contributions as determined by the Fund Actuary; and
- (3) the Assistant Director (Legal Services) be authorised to enter into the necessary agreements.

1. Introduction

Local authorities have the power to admit employees of organisations who provide a public service other than for profit (and in certain restricted circumstances companies undertaking Council work) into their pension schemes by way of "admission agreements". Employees pay a standard contribution of their pensionable earnings. Each employer's contribution rate is determined by the Council's Actuary and depends on factors such as the age, length of scheme membership etc. of the employees involved. Employees not currently in the Local Government Pension Scheme would have to meet the normal conditions of entry for membership of the scheme.

2. Request for Admission – Inspire

Following a Best Value review and the outcome of market testing, approval was given to create a new organisation, independent of the Council, who would become responsible for the provision of integrated physical and sensory impairment services. To achieve this, a business transfer agreement and a service agreement have been drafted between the Council and the new organisation and should shortly be finalised. Progress has been made towards the legal incorporation of the new organisation, to be called 'Inspire Community Trust'. Inspire Community Trust will be a not for profit organisation (incorporated as a company limited by guarantee) and will seek charitable status.

Subject to agreement by the Cabinet or the Leader at the end of December 2004 to transfer the services to Inspire Community Trust, it is envisaged that the transfer will occur in early January 2005. This will result in the transfer of 31 staff under the terms of the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. All transferring employees are currently entitled to membership of the Local Government Pension Scheme. Subject to determination of the employer's contribution rate involved, Inspire Community Trust is seeking admission for those staff who will transfer and any new or replacement staff who may be appointed post transfer.

The main advantage of admission is the continuity in the Local Government Pension Scheme that it affords to the staff who are transferring to Inspire Community Trust under the TUPE regulations. Inspire Community Trust meets the statutory criteria for admission to the Council's scheme.

3. Summary of Financial Implications

There are no costs of any significance to the Council or its Pension Fund of the new admission. The admission agreement is in a standard form and the employer's contributions determined by the Actuary will be met by Inspire Community Trust.

Local Government Act 1972 – section 100d List of background documents

Contact Officer: Nigel Bate, Group Accountant (Technical). Extn 2647
Reporting to: David Berry, Director of Finance and Business Services