

## PENSIONS COMMITTEE – 22 SEPTEMBER 2006

### 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 Thames Innovation Centre Limited as a result of the transfer of the Council's business advisory services from Belvedere Business Centre to it. Thames Innovation Centre Limited 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 Thames Innovation Centre Limited, the admission to the Council's Pension Scheme be approved for Thames Innovation Centre Limited in respect of those staff entitled to join the Council's pension scheme at the date of transfer and who are transferring to Thames Innovation Centre Limited.
- (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 – Thames Innovation Centre Limited**

At its meeting on 19 July 2005, approval was given to create a new organisation, independent of the Council, who would operate the East Thamesmead Innovation Centre, now known as Thames Innovation Centre. To achieve this, a service level agreement has been drafted between the Council and the new organisation and should shortly be finalised. The legal incorporation of the new organisation, called Thames Innovation Centre Limited, has been completed. Thames Innovation Centre Limited is a not for profit organisation (incorporated as a company limited by guarantee), controlled by the Council.

Subject to agreement by General Purposes Committee in January 2007 to transfer the services to Thames Innovation Centre Limited, it is envisaged that the transfer will occur in April 2007. This will result in the transfer of 5 staff under the terms of the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations and a business transfer agreement to be entered into between the Council and Thames Innovation Centre Limited. All transferring employees are currently entitled to membership of the Local Government Pension Scheme. Subject to determination of the employer's contribution rate involved, Thames Innovation Centre Limited is seeking admission for those staff who will 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 Thames Innovation Centre Limited under the TUPE regulations. Thames Innovation Centre Limited 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 Thames Innovation Centre Limited.

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

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