

REPORT TO: FINANCE COMMITTEE - 13 MARCH 2006

REPORT ON: DUNDEE LEISURE - ADMISSION TO LOCAL GOVERNMENT PENSION SCHEME

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 193-2006

1 PURPOSE OF REPORT

Report No 131/1996 to the Finance Committee of 10 June 1996 lays down the conditions to apply before a body can be considered for admission into the Local Government Pension Scheme administered by Dundee City Council, Dundee. It is intended that Dundee City Council set up Dundee Leisure and that they be admitted to the Local Government Pension Scheme.

2 RECOMMENDATION

On the assumption that Dundee Leisure becomes a body in their own right and applies for an Admission Agreement, it is recommended that the Committee agree to Dundee Leisure being admitted into the Local Government Pension Scheme administered by Dundee City Council.

3 FINANCIAL IMPLICATIONS

The City Council will agree to act as a financial guarantor for any potential liability that may arise as a result of the withdrawal, cessation, or inability to meet their liabilities of Dundee Leisure as an Admitted Body to the Local Government Pension Scheme.

4 LOCAL AGENDA 21 IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

- 6.1 Under the Local Government Pension Scheme (Scotland) Regulations 1998, the administering authority has the right to admit other bodies into the Local Government Pension Scheme providing they meet the requirements of Regulation 4 or 4A of these Regulations. Any body admitted then has the same rights and liabilities as the local authorities in the scheme.
- 6.2 Dundee Leisure could qualify under Regulation 4(2)(b) "a body to the funds of which any Scheme Employer contributes". Dundee City Council can therefore consider their application for admission.

6.3 The Finance Committee at its meeting on 10 June 1996 agreed detailed criteria, of which one must be met if the body's application for admission to the Local Government Pension Scheme was to be submitted to the Finance Committee. These criteria were as follows:

- i bodies with long-term funding (in excess of 20 years).
- ii bodies who have been in existence for at least 10 years and who have foreseeable long-term future in existence.
- iii bodies with short-term funding where another substantive body is prepared to act as guarantor.
- iv bodies where the employees were formerly Local Government staff.

7 **CONCLUSIONS**

In view of the decision that Dundee City Council will act as guarantors and the fact that the employees are being transferred from Dundee City Council, it would be appropriate for the body to be admitted into the Local Government Pension Scheme administered by Dundee City Council.

8 **CONSULTATION**

The Chief Executive, Depute Chief Executive (Support Services) and Director of Leisure & Communities have been consulted in the preparation of this report.

9 **BACKGROUND PAPERS**

None.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

6 MARCH 2006