

CYNGOR SIR POWYS COUNTY COUNCIL

**Pensions and Investment Committee
11th February 2016**

REPORT BY: Strategic Director of Resources

SUBJECT: Property Services and Building Control

REPORT FOR: Information

1 Introduction

- 1.1 Committee are asked to note that Powys County Council have made the following decisions in relation to the pension arrangements for the alternative delivery models to be used in respect of Property Services and the Building Control Service.

2 Legislation

- 2.1 Both models will result in the transfer of current County Council staff to the new organisations and therefore the requirements of the Welsh Authorities Staff Transfers (Pensions) Direction 2012 will apply. This requires that the pension rights of transferred local authority staff are protected. In these cases this will be discharged by the new organisations entering into admission agreements with the Pension Fund to enable transferred staff to remain in membership of the local government pension scheme.

3 Property Services

- 3.1 The delivery model proposed for this service is a joint venture company and is likely to involve the transfer of approximately 110 County Council staff. As has been its policy in recent years, the County Council has determined that the past service position of transferring staff will be 100% funded on the transfer date – thereby transferring no deficit liability to the new organisation.
- 3.2 In addition, the County Council has also determined that it will not provide a guarantee to underwrite the pensions covenant to be given by the joint venture company, and nor will it enter into a risk sharing agreement. Therefore, in order to protect the Fund against loss due insolvency, the joint venture company will be required to purchase and maintain a bond, at a value to be agreed by the Pension Fund actuary.

4 **Building Control**

- 4.1 The delivery model proposed for this service is an ‘arms-length’ company to be wholly owned by the County Council and is likely to involve the transfer of 6 County Council staff. As for Property Services, the County Council has determined that the past service position of transferring staff will be 100% funded on the transfer date – thereby transferring no deficit liability to the new organisation.
- 4.2 In addition, the County Council has also determined that it will provide a guarantee to underwrite the pensions covenant to be given by the new company in the form of a risk sharing agreement.

5 **Recommendation**

- 5.1 To note the contents of this report.

Recommendation:	Reason for Recommendation:
To note the arrangements in relation to Property Services and Building Control.	As per report

Person(s) To Action Decision:	Pension Fund Manager		
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Joe Rollin	01597 827641	01597 826290	joe.rollin@powys.gov.uk

Relevant Portfolio Member(s):	Councillor Wyn Jones
Relevant Local Member(s):	N/A