

Appendix D

Appendix D : Pensions Heads of Terms approved by July Cabinet

Transfer of Children's Services

From Slough BC ("the Council") to Slough Children's Services trust Ltd ("the Trust")

Recommendations

That, subject to the provisos set out below:

- (1) Admission to the Berkshire LGPS Pension Fund ("the Fund"), should be on an open and not a closed basis, and;
- (2) The Council will provide a Guarantee to the Fund in relation to the Trust meeting its liabilities under LGPS during the term of the Service Delivery Contract ("the Contract"), and;
- (3) On transfer of the services back to the Council at the end of the Contract the Council will assume the Trust's pension liabilities.

The Provisos being:

- (1) That the Council receives satisfactory written confirmation from the Fund that it will treat the Trust as a "sub-set" of the Council for LGPS purposes such that the Trust's contribution rate and deficit accrual rate shall be the same as the Council's; and
- (2) That the Council is satisfied that the granting of a Guarantee, in the Form required by the Fund is permissible by law or that the Council is satisfied that the granting of such a Guarantee does not expose the Council to an unacceptable level of risk; and
- (3) That the Council is not exposed to any increased risk, either to the scope of any Guarantee provided by to the Fund or in relation to exit liabilities because necessary protections, as set out below, are in place to prevent this risk materialising.

The necessary protections being:

- (1) That the Trust commits to operating a workforce structure commensurate with its allocated budget; the mechanism by which the trust will be funded having been agreed as part of the settlement of the Contract; and
- (2) That the Trust commits to operating all policies which may effect the scope of any Guarantee given by the Council and/or the pension liabilities assumed by the Council at the end of the Contract, (including but not limited to early retirement, benefit augmentation, salary increases, redundancy and the recruitment of new permanent employees), in terms which either mirror those policies of the Council as they exist from time to time during the term of the Contract or do not expose the Council to any element of additional risk in relation to LGPS, unless specifically agreed otherwise by the Council.

That the extent of any Guarantee provided by the Council to the Fund and the assumption by the Council of pension liabilities on transfer of the services back to it from the Trust, shall be limited to the extent to which the Trust operates a workforce commensurate with its allocated budget and shall not extend to any additional liabilities resulting from the recruitment of additional employees, such additional employees being funded in any way other than by utilisation of the allocated budget, unless specifically agreed by the Council.