

SCOTTISH BORDERS COUNCIL

MINUTES of Meeting of the SCOTTISH COUNCIL held in Council Chamber, Council Headquarters, Newtown St. Boswells on Thursday, 29th January, 2015 at 10.00 am

Present:- Councillors G H T Garvie (Convener), J Brown (Vice Convener), W Archibald, M Ballantyne, S Bell, C Bhatia, J Campbell, M J Cook, A Cranston, G Edgar, J A Fullarton, I Gillespie, J Greenwell, B Herd, S Marshall, W McAteer, J G Mitchell, D Moffat, S Mountford, A J Nicol, D Parker, F Renton, R Stewart, J Torrance, G Turnbull, T Weatherston and B White

Apologies:- Councillors S Aitchison, K Cockburn, V Davidson, G Logan, D Paterson, S Scott and R Smith

In Attendance:- Director of Public Health, Depute Chief Executive Place, Service Director Strategy & Policy, Corporate Transformation & Services Director, Chief Executive, Depute Chief Executive People, Chief Financial Officer and Chief Social Work Officer

1 **PRIVATE BUSINESS** **DECISION**

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part I of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

DECLARATION OF INTEREST

Councillor Edgar declared an interest in the following item of business in terms of Section 5 of the Councillors Code of Conduct and left the Chamber during the discussion.

Implementation of the Council Care Company

1. Members approved a report by the Depute Chief Executive People detailing the partnership agreement which set out the governance arrangements for the new Council Care Company.

PUBLIC BUSINESS

2. **COUNCIL CARE COMPANY PENSION FUND CONSIDERATION**

There had been circulated copies of a report by the Chief Executive on the position being recommended in relation to future pension liabilities of staff affected by the transfer to the Council Care Company Scottish Borders Cares (SB Cares). The report explained that it was proposed that the Council would transfer Staff to SB Cares and maintain their membership in the Local Government Pension Scheme through admitted body status. The admissions agreement would ensure that future members of staff employed by SB Cares had access through the scheme being set up on an 'open' basis. Barnett Waddingham, the Pension Fund's actuary had provided a projected level for a bond of £6.167m, to reflect the pension fund liabilities of those staff transferring to the Care Company as at the 13 January 2015. This represented the current level of risk facing the Pension Fund in the event of a premature termination of the company's membership of the scheme and the Council would carry this risk. It was proposed that the company scheme be operated through a pooled arrangement with an employment rate of 18% of

pensionable pay within the Council's Pension Fund and that the Council would underwrite the risk of premature termination of SB Cares admission agreement. The underlying position had not fundamentally changed from the current position whereby the Council effectively underwrote the risk associated with unfunded pension fund liabilities for all its staff. It was not proposed that the Care Company be required to establish a bond. The Chief Financial Officer answered Members' questions in respect of the 2 LLPs and VAT, and current and future employees of the company.

**DECISION
AGREED:-**

- (a) that staff who would be employed by the Care Company from 1 April 2015, who were currently members of the Council's Pension Scheme, would remain members of the pension scheme following the establishment of the new company;**
- (b) to note that SB Cares was consequently required to apply to the Pension Fund for admission of Scottish Borders Cares LLP and Scottish Borders Supports LLP as 'admitted bodies';**
- (c) that future members of staff employed by the care company would also be covered by the admission agreement which would be on an 'open' basis; and**
- (d) that the transfer of staff to SB Cares would not require any additional guarantor or bond arrangements from the Care Company and that the Council would underwrite any Admission Agreement premature termination risk.**

The meeting concluded at 10.45 am