

Wolverhampton City Council

**OPEN EXECUTIVE
DECISION ITEM (AMBER)**

Cabinet / Cabinet Panel

**INVESTMENT AND ADVISORY
SUB-COMMITTEE**

Date **20.01.2010**

Portfolio(s)

**PENSION SERVICE AND
CUSTOMER AND SHARED SERVICES**

Originating Service Group(s)

Contact Officer(s)/

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Telephone Number(s)

2020

4410

Title

NON-FUNDED PENSION COSTS

KEY DECISION:
IN FORWARD PLAN:

YES
YES

1. **Recommendation**

- 1.1. To agree the allocation of non-funded pension costs to authorities for 2010/2011.

NON-FUNDED PENSION COSTS

1. PURPOSE OF REPORT

- 1.1 This report gives details of the allocation of non-funded pension costs to employing authorities arising from former West Midlands County Council and other employees whose pension costs cannot be allocated directly to a new authority.
- 1.2 Under the regulations non-funded enhancement to pensions relating to former West Midlands County Council, West Midlands Residuary Body and other employees without a successor authority are recharged to the seven West Midlands District Councils in proportion to their Council Tax Bases.

2. FORMER WMCC AND RESIDUARY BODY PENSION COSTS

- 2.1 The forecast outturn for 2009/2010 is £23,800 less than the original estimate of £497,230. The estimate for 2010/2011 is £10,360 less than the original estimate for 2009/2010. Additional provision has been made in 2010/2011 in respect of pensions increases under the annual Review Order, but this is offset by reductions anticipated due to deaths of pensioners.
- 2.2 The appendix sets out the provisional allocations of rechargeable costs relating to the former West Midlands County Council (WMCC) and other employees without a successor authority.
- 2.3 These non-funded enhancements and pensions increase costs are allocated to the seven district councils in proportion to their approved Council Tax Base as notified to the Council. The approved estimate for 2009/2010 shows the actual levy that was made in accordance with the Levying Bodies (General) Regulations. The actual costs for 2009/2010 will also be allocated to councils on this basis. The estimate for 2010/2011 has been allocated on the 2009/2010 Council Tax Base but the actual levy will be based on the Council Tax Base for 2010/2011 which will be notified by district councils by 31 January 2010.

3. ENVIRONMENTAL IMPLICATIONS

- 3.1 There are no direct environmental implications.

4. EQUAL OPPORTUNITIES POLICY

- 4.1 This report has no direct implications for the Fund and Council's Equal Opportunities Policy.

**PENSION FUND - ALLOCATION OF
PENSIONS COSTS 2009/10 AND 2010/11**

**Relating to Former WMCC, WMRB and Other Employees
without a Successor Authority**

	<u>Estimate</u>	<u>2009/10</u>	<u>2010/11</u>
	£	Revised Estimate	Estimate
	£	£	£
Birmingham	184,200	176,450	181,460
Coventry	56,060	52,770	54,270
Dudley	61,210	58,100	59,750
Sandwell	53,210	50,440	51,870
Solihull	49,320	47,160	48,500
Walsall	48,260	46,410	47,730
Wolverhampton	44,970	42,100	43,290
	<u>£497,230</u>	<u>£473,430</u>	<u>£486,870</u>