

Agenda Item 3 - School Buy Backs 2014/15

1. Introduction

- 1.1 The Council was informed in January 2014 that the Employers Pension contribution rate would reduce from 2014/15 by 2%.

2. Background

- 2.1 The Council Employers Pension Rate is subject to a triennial review by the Actuary to the Teesside Pension Fund. In January 2014 the Council was informed that the Employers Pension contribution would reduce by 2%.
- 2.2 Buy Back Charges for 2014-15 had been calculated to increase by 1% which reflects the forecast pay award.

3. Impact on School Buy Backs

- 3.1 The decrease in employers' pension contributions reduces the cost of services provided to schools with the exception of Insurance and Cash Collection where the charges reflect actual charges borne by the Authority and Legal Services which have increased slightly to reflect actual services provided
- 3.2 Two options were presented to the Corporate Management Team (CMT) in relation to the impact on the proposed buy back charges:
- Option 1 – The Council does not reduce buy back charges to reflect the pension saving; i.e. a 1 % increase
 - Option 2 – Buy back charges are reduced and the saving passed on to schools. i.e. a 1% decrease
- 3.2 Under both options the buy back arrangements for 2014/15 are based on an assumed 1% increase to reflect the forecast pay award.
- 3.3 CMT agreed to support Option 2.

4. For Information

- 4.1 Forum Members are asked to note this report.