

BIRMINGHAM CITY COUNCIL**PUBLIC**

Report to:	CABINET
Report of:	Assistant Director (Corporate Finance)
Date of Decision:	16th May 2017
SUBJECT:	PETPS(BIRMINGHAM)LIMITED
Key Decision: Yes	Relevant Forward Plan Ref: 003260/2017
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member	Leader
Relevant O&S Chairman:	Councillor Aikhlaq
Wards affected:	Ladywood and outside of the City boundary

1. Purpose of report:
<p>1.1 To provide background to the proposed strategy in relation to the latest triennial valuation for The NEC Limited Pension Fund and The NEC Executive Pension Scheme. The exempt matters for consideration are set out in the accompanying report on the private agenda</p>

2. Decision(s) recommended:
<p>That Cabinet:</p> <p>2.1 Notes this report</p>

Lead Contact Officer(s):	Elaine Peach
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3. Consultation

Consultation should include those that have an interest in the decisions recommended

3.1 Internal

Officers from Legal and Democratic Services and City Finance have been involved in the preparation of this report

The Directors of PETPS(Birmingham)Limited have been consulted

3.2 External

The Trustees of NEC Pension Schemes and City Council External Auditors Grant Thornton UK LLP have been involved in the detailed proposals

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

Providing value for money is part of the Financial Plan 2017+. The outcome of the work will help the City Council's efficient management of its resources

4.2 Financial Implications

The detail is set out in the accompanying private report

4.3 Legal Implications

The detail is set out in the accompanying private report

4.4 Public Sector Equality Duty

An Equality Assessment has been undertaken and is attached at Appendix 1. There are no adverse implications identified from the actions recommended in this report.

5.	Relevant background/chronology of key events:
5.1	Following the sale of the NEC Group on 1 st May 2015, the City Council took responsibility for the two NEC defined benefit pension schemes which had ceased to provide future service accrual
5.2	The pension schemes are The NEC Limited Pension Fund (the “Fund”) and The NEC Executive Pension Scheme (the “Scheme”)
5.3	The City Council set up a wholly owned company limited by guarantee PETPS(Birmingham)Limited as sponsoring employer which assumed the funding obligation of the Fund and Scheme with the agreement of the Pension Trustees
5.4	At the same time, guarantees were provided by the City Council to the Trustees of the Fund and the Scheme to meet the current and future contingent funding obligations that may arise in respect of the liabilities
5.5	The most recently completed formal actuarial valuations of the Fund and Scheme were at 5 th April 2013. The triennial valuations have an effective date of 5 April 2016.
5.6	An accompanying private report sets out a proposed strategy in relation to the latest triennial valuation in order to ensure that the City Council’s full obligations to the Fund and Scheme are met.

6.	Evaluation of alternative option(s):
6.1	As set out in the accompanying private report

7.	Reasons for Decision(s):
7.1	As set out in the accompanying private report

Signatures	<u>Date</u>
Cabinet Member
Chief Officer

List of Background Documents used to compile this Report:
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None

List of Appendices accompanying this Report
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| 1. Equalities Assessment |
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Report Version	<u>3</u>	Dated	<u>3rd May 2017</u>
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