



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 9 December 2014

Subject: Local Government Pension Scheme – Past Service Costs

Contact: Jennie Collier (collierj@walsall.gov.uk)
Dan Mortiboys (mortiboysd@walsall.gov.uk)

Purpose of the report: To propose new arrangements for payments in relation to local government pension scheme – past service costs

Recommendations: See final section of report

Background information

Local government pension scheme contributions are made up of 2 elements:

- Current service costs – current employee contributions
- Past service costs – contributions in relation to people already retired (this is not calculated on an individual employee basis but for Walsall MBC as a whole)

The amounts payable to West Midlands Pension Fund (WMPF) are calculated on a tri-annual basis by an external auctorial company Mercers and are based on the performance of the fund.

Until 2014/15 payments were calculated for both elements of the payment and processed through the payroll system based on an expected annual pensionable pay. Any under / over recovery based on actual pensionable pay was adjusted for at year end.

In 2014/15 we received an updated valuation which resulted in significantly higher contribution rates. WMPF offered several ways in which the contributions could be paid which included paying the past service contributions for the whole year upfront in April which resulted in a reduction in the contribution required. Walsall agreed to make payments up front and has recharged these costs to schools via the payroll system.

Proposed changes to recover past service cost contributions for 2015/16

During 2014/15 the current process has not run as smoothly as we would have liked with a number of manual adjustments having to be made. This process has been reviewed and it is proposed that for 2015/16 only current service costs of 13.2% will be processed via the payroll system.

It is proposed that the past service costs for 2015/16 will be calculated early April for each school based on the pensionable pay for 2014/15. Schools will be notified of the charge for 2015/16 via email and will also be uploaded onto the 'LINK' website.

The charges will then be actioned via a journal for those schools that use Oracle financial systems or via an invoice for those schools that don't. Appendix 1 details how each school will be recharged. Any changes to this would need to be notified to Finance prior to end of April and full details will be included with notification of charges.

Recommendations

Schools are asked to agree the revised process for recovering past service costs 2015/16.

Appendix 1

| School | Recharge Method |
|--|-----------------|
| ABBAY PRIMARY SCHOOL | Journal |
| ALUMWELL JUNIOR SCHOOL | Journal |
| ALUMWELL INFANT SCHOOL | Journal |
| BEACON PRIMARY SCHOOL | Journal |
| BARCROFT PRIMARY SCHOOL | Journal |
| BENTLEY WEST PRIMARY SCHOOL | Journal |
| BLAKENALL HEATH JUNIOR SCHOOL | Invoice |
| SUNSHINE INFANT & NURSERY SCHOOL | Journal |
| BUSILL JONES PRIMARY SCHOOL | Journal |
| BUTTS PRIMARY SCHOOL | Journal |
| CHUCKERY PRIMARY SCHOOL | Journal |
| DELVES JUNIOR SCHOOL | Journal |
| DELVES INFANTS SCHOOL | Journal |
| ELMORE GREEN PRIMARY SCHOOL | Journal |
| FIBBERSLEY PARK PRIMARY SCHOOL | Journal |
| HILLARY PRIMARY SCHOOL | Journal |
| KING CHARLES PRIMARY SCHOOL | Journal |
| KINGS HILL PRIMARY SCHOOL | Journal |
| LEAMORE PRIMARY SCHOOL | Journal |
| LOWER FARM PRIMARY SCHOOL | Journal |
| NEW INVENTION INFANT SCHOOL | Journal |
| PALFREY JUNIOR SCHOOL | Journal |
| PALFREY INFANT SCHOOL | Journal |
| PINFOLD STREET JMI SCHOOL | Journal |
| POOL HAYES PRIMARY SCHOOL | Journal |
| SHORT HEATH JUNIOR SCHOOL | Journal |
| SALISBURY PRIMARY SCHOOL | Journal |
| WHITEHALL JUNIOR COMMUNITY SCHOOL | Journal |
| WHITEHALL NURSERY & INFANT SCHOOL | Journal |
| NEW INVENTION JUNIOR SCHOOL | Journal |
| ST THOMAS OF CANTERBURY CATHOLIC PRIMARY | Journal |
| CALDMORE COMMUNITY PRIMARY SCHOOL | Journal |
| LODGE FARM JMI SCHOOL | Journal |
| BLUE COAT C.E. JUNIOR SCHOOL | Journal |
| BLUE COAT C.E. INFANT SCHOOL | Journal |
| ST JOSEPHS CATHOLIC PRIMARY SCHOOL | Journal |
| ST MARYS THE MOUNT CATHOLIC PRIMARY SCHOOL | Journal |
| ST PATRICKS CATHOLIC PRIMARY SCHOOL | Invoice |
| ST PETERS CATHOLIC PRIMARY SCHOOL | Journal |
| BLOXWICH C.E. JMI PRIMARY SCHOOL | Journal |
| CHRIST CHURCH CE JMI SCHOOL | Journal |
| LITTLE BLOXWICH CE PRIMARY SCHOOL | Journal |
| OLD CHURCH C.E. PRIMARY SCHOOL | Journal |

| School | Recharge Method |
|---|------------------------|
| ST GILES C.E. PRIMARY SCHOOL | Journal |
| ROSEDALE C.E. PRIMARY SCHOOL | Journal |
| COOPER JORDAN CE PRIMARY SCHOOL | Journal |
| LEIGHSWOOD PRIMARY SCHOOL | Journal |
| WHETSTONE FIELD PRIMARY SCHOOL | Journal |
| ST MARY OF THE ANGELS CATHOLIC PRIMARY SCHOOL | Journal |
| BROWNHILLS WEST PRIMARY SCHOOL | Journal |
| HOLY TRINITY CE PRIMARY | Journal |
| MILLFIELD PRIMARY SCHOOL | Journal |
| ST JAMES PRIMARY SCHOOL | Journal |
| WALSALL WOOD PRIMARY SCHOOL | Journal |
| WATLING STREET PRIMARY SCHOOL | Journal |
| MEADOW VIEW JMI PRIMARY SCHOOL | Journal |
| MOORCROFT WOOD PRIMARY | Journal |
| PHEASEY PARK FARM PRIMARY | Invoice |
| PELSALL VILLAGE SCHOOL | Journal |
| ST MICHAELS C.E. PRIMARY SCHOOL | Journal |
| RADLEYS PRIMARY SCHOOL | Journal |
| RUSHALL JMI SCHOOL | Journal |
| ST BERNADETTE'S CATHOLIC PRIMARY SCHOOL | Invoice |
| ST FRANCIS CATHOLIC PRIMARY SCHOOL | Journal |
| GREENFIELD PRIMARY | Journal |
| ST ANNES CATHOLIC PRIMARY SCHOOL | Invoice |
| CASTLEFORT JMI SCHOOL | Journal |
| ST JOHNS C.E. PRIMARY SCHOOL | Journal |
| COUNTY BRIDGE PRIMARY SCHOOL | Journal |
| BLACKWOOD PRIMARY SCHOOL | Journal |
| LINDENS PRIMARY SCHOOL | Journal |
| MANOR PRIMARY SCHOOL | Invoice |
| ALUMWELL NURSERY SCHOOL | Journal |
| FULLBROOK NURSERY SCHOOL | Journal |
| LANE HEAD NURSERY SCHOOL | Journal |
| MILLFIELDS NURSERY SCHOOL | Journal |
| OGLEY HAY NURSERY SCHOOL | Journal |
| ROWLEY VIEW NURSERY SCHOOL | Journal |
| SANDBANK NURSERY | Journal |
| VALLEY NURSERY SCHOOL | Journal |
| BROWNHILLS SCHOOL | Journal |
| POOL HAYES ARTS AND COMMUNITY SCHOOL | Invoice |
| ST FRANCIS OF ASSISI CATHOLIC TECHNOLOGY COLLEGE | Journal |
| ST THOMAS MORE CATHOLIC BUSINESS & ENTERPRISE COLLEGE | Invoice |
| ELMWOOD SECONDARY SPECIAL SCHOOL | Journal |
| OAKWOOD SPECIAL SCHOOL | Journal |
| CASTLE SPECIAL SCHOOL | Journal |
| OLD HALL SPECIAL SCHOOL | Journal |

| School | Recharge Method |
|-----------------------------|-----------------|
| JANE LANE SPECIAL SCHOOL | Journal |
| MARY ELLIOTT SPECIAL SCHOOL | Journal |
| PHOENIX PRIMARY EBD SCHOOL | Journal |