EXPLANATORY MEMORANDUM TO

THE SUPERANNUATION (ADMISSION TO SCHEDULE 1 TO THE SUPERANNUATION ACT 1972) ORDER 2013

2013 No. 1609

1. This explanatory memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the Instrument

2.1 This Order will come into force on 25 July 2013 and makes provision for adding employments and offices to Schedule 1 of the Superannuation Act 1972 ("the Act"), enabling people serving in those offices and employments to be members of the schemes made under section 1 of the Act. It also removes employments and an office from the same Schedule. The Principal Civil Service Pension Scheme, the Civil Service Additional Voluntary Contribution Scheme, the Civil Service Compensation Scheme and the Civil Service Injury Benefits Scheme are schemes that have been made under section 1 of the Act and are collectively referred to below as "the PCSPS".

3. Matters of special interest to the Joint Committee on Statutory Instruments.

3.1 None

4. Legislative Context

- 4.1 Section 1 of the Act gives to the Minister for the Civil Service powers to make, maintain and administer schemes to provide pensions, allowances or gratuities to civil servants and other persons whose employments or offices are listed in Schedule 1 of the Act. The Act further permits the Minister to add employments or offices to Schedule 1, conditional on the employment or office being paid out of moneys provided by Parliament, the Consolidated Fund, or the Scottish Consolidated Fund.
- 4.2 The Instrument adds a number of employments and offices to Schedule 1; these are listed at Annex A of this memorandum. Details of the employments being removed are in Annex B.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 The Minister for the Civil Service has made the following statement regarding human rights: "The Superannuation (Admission to Schedule 1 to the Superannuation Act 1972) Order 2013 amends Schedule 1 to the Superannuation Act 1972. In my view, the provisions of this instrument are compatible with the Convention rights."

7. Policy background

- 7.1 The bodies added to Schedule 1 of the Act by this instrument wish to join the PCSPS rather than run their own pension arrangements. Membership of the PCSPS avoids the administration and associated costs of setting up separate arrangements and makes available economies of scale provided by the PCSPS. In all cases the bodies will be required to make contributions to the PCSPS at a level set to meet the full costs of the accruing superannuation liability associated with their staff. The Scheme Management Executive of the Cabinet Office ensure that admitted employments or offices are within the public sector and have suitable controls over pay to protect the Civil Superannuation Vote, from which pensions are paid.
- 7.2 The bodies removed from Schedule 1 of the Act by this instrument have either been abolished or have ceased to provide services as part of the public sector. Their continued membership of the PCSPS is therefore inappropriate.

8. Consultation

- 8.1 For those bodies and offices which are to be added to Schedule 1 and admitted to the PCSPS, consultations were carried out as part of negotiations with those bodies and their sponsoring Departments during the process of their applications to join the PCSPS.
- 8.2 For those bodies and offices which are to be removed from Schedule 1, because they have been abolished or have left the public sector, consultation took part during negotiations with the employer which led to such abolition or departure. Many of the staff of these bodies who moved elsewhere in the public sector (for example, upon abolition of an office) have retained PCSPS membership.

9. Guidance

9.1 No guidance has been produced to accompany this instrument, the contents of which are self-explanatory.

10. Impact

- 9.1 No Impact Assessment has been prepared for this instrument as it has no impact on business, charities or voluntary bodies.
- 9.2 The outcome of this legislation is to effect a saving in administration for public sector bodies by enabling them to join existing pension arrangements and benefit from the support provided by the Scheme Managers, who are the Scheme Management Executive of the Cabinet Office.

11. Regulating small business

11.1 This instrument does not apply to small business.

12. Monitoring and review

12.1 Membership of the PCSPS and the need for amendments to Schedule 1 of the Act are subjects under constant review.

13. Contact

Colin Hennem at the Cabinet Office Tel: 01256 846131 or e-mail <u>colin.hennem@cabinet-office.x.gsi.gov.uk</u> can answer any queries regarding the instrument.

Annex A

Employments and offices to be added to Schedule 1 to the Act

- The office of HM Chief Inspector of Probation for England and Wales The Chief Inspector's main statutory remit is to carry out inspections, and to report to the Secretary of State, on probation provision in England and Wales
- The office of Prisons and Probation Ombudsman for England and Wales The Ombudsman is responsible for providing independent and effective adjudication of complaints from prisoners, those on probation and immigration detainees. The Ombudsman also investigates deaths in prisons, approved premises and immigration detention.
- The office of Welsh Language Commissioner and employment by the Welsh Language Commissioner The Commissioner promotes and facilitates the use of Welsh language. The Commissioner's employees, including the Deputy Welsh Language Commissioner support the Commissioner as they oversee the imposition of Welsh language standards on a range of persons and regulates compliance by those persons with the standards that apply to them.
- Employment by the Commission for Ethical Standards in Public Life in Scotland The Commission investigates and reports on complaints about the conduct of MSPs, local authority councillors and members of devolved public bodies listed in Schedule 3 to the Ethical Standards in Public Life etc (Scotland) Act 2010.
- Employment by the Director of Fair Access to Higher Education. Employment by the Director of Fair Access to Higher education is that of the staff of the Office for Fair Access (OFFA). OFFA is an independent public body that helps safeguard and promote fair access to higher education. This is done mainly by approving and monitoring 'access agreements'. All English universities and colleges that wish to charge higher fees must have an 'access agreement' with OFFA.

Annex B

Employments and offices to be removed from Schedule 1 to the Act

- Employment by the Commission for Architecture and the Build Environment The Commission was dissolved and a proportion of its function was merged with the Design Council.
- Employment by the Children's Workforce Development Council. The Council's operations have been taken over by the new Teaching Agency and Children's Improvement Board.
- The offices of Scottish Parliamentary Standards Commissioner and Commissioner for Public Appointments in Scotland, and employment by those offices.

The Scottish Parliamentary Commission and Commissioners etc Act 2010 abolished the above offices whilst at the same time created the Commission for Ethical Standards in Public Life in Scotland.

- Employment by the School Food Trust. The Trust was disbanded as a Non Departmental Public Body but continues to operate under its charity status.
- Employment by the Welsh Language Board. The same legislation that created the Welsh Language Commissioner also dissolved the Board. Staff of the Board have moved into the employment of the Welsh Language Commissioner.
- The office of Chief Investigating Officer of the Standards Commission for Scotland,

The Scottish Parliamentary Commission and Commissioners etc Act 2010 abolished the above office whilst at the same time created the Commission for Ethical Standards in Public Life in Scotland.