

EXPLANATORY MEMORANDUM TO
THE SUPERANNUATION (ADMISSION TO SCHEDULE 1 TO THE
SUPERANNUATION ACT 1972) ORDER 2011

2011 No. 2257

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

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

2.1 This Order will come into force on **7 October 2011** and adds employments to Schedule 1 to the Superannuation Act 1972 (“the Act”) enabling people serving in those 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 provided that the employment or office is paid for out of monies provided by Parliament, the Consolidated Fund or the Scottish Consolidated Fund.

4.2 The Instrument adds and removes a number of employments and offices to Schedule 1; these are listed at Annex A of this memorandum. Details of the employments being added 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 2011 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 by this Order wish to join the PCSPS rather than administer 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 There has been no public interest in these changes and they are not politically sensitive.

8. Consultation outcome

8.1 These regulations do not require a consultation exercise.

9. Guidance

9.1 No guidance notes are provided for the public in relation to this Order.

10. Impact

10.1 This instrument imposes no costs on business, charities or voluntary bodies.

10.2 The impact on the public sector 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.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 Schedule 1 to the Superannuation Act 1972 is reviewed annually.

13. Contact

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

Employments and Offices to be added to Schedule 1 to the Superannuation Act 1972

Employments

National Museum of the Royal Navy
UK Commission for Employment and Skills
Sustainable Development Commission Limited
Capital for Enterprise Limited
Children's Workforce Development Council
Learning and Skills Improvement Service
Renewable Fuels Agency

Offices

Chair of the Charity Commission
Chief Inspector of Prisons for England and Wales
Office of stipendiary magistrates

Employments, Commissions and Offices to be removed from Schedule 1 to the Superannuation Act 1972

Employments

- The Arts and Humanities Research Council

All staff at this Council have been transferred out of the PCSPS into the Research Council Pensions Scheme.

- The Commission for Healthcare and Audit Inspection
- The Commission for Social Care Inspection

These bodies have been replaced by the Care Quality Commission.

- Culture East Midlands Limited
- Culture North East Limited
- Culture Northwest Limited
- Culture South East Limited
- Culture South West Limited
- Living East Limited
- West Midlands Life Limited
- Yorkshire Culture Limited

All the Culture bodies sponsored by the Department for Culture Media and Sport have been closed.

- employment by the Chief Inspector of Criminal Justice in Northern Ireland
- employment by the Police Ombudsman for Northern Ireland

Following the devolution of policing and justice functions on 12th April 2010, these bodies transferred to the Northern Ireland Civil Service.

- Public-Private Partnership Agreement Arbiter

This body closed on 15th October 2010 following Transport for London's purchase of the London Underground lines.

- Quality Improvement Agency

This body was merged with the Centre for Excellence in Leadership to form the Learning and Skills Improvement Service.

- The Sector Skills Development Agency

This body has been abolished and all the staff transferred to a new body called the UK Commission for Employment and Skills.

- SITPRO Limited

This body ceased operations on 31st August 2010.

- Scottish legal services ombudsman

This office has been abolished and replaced by the Scottish Legal Complaints Commission.

- Sustainable Development Commission Limited

This executive non-departmental public body and company limited by guarantee was dissolved with effect from 31st March 2011.

- Renewable Fuels Agency

This body was dissolved on 31st March 2011 and its duties transferred to the Department for Transport.

Commissions

- Northern Ireland Law Commission

Following the devolution of policing and justice functions on 12th April 2010, this body transferred to the Northern Ireland Civil Service.

Offices

- Office of rent officer

Staff employed by the office of rent officer transferred to the Valuation Office Agency on 1st April 2009.

Brief explanation of each of the Employments and Offices being added to this Order

Employments

National Museum of the Royal Navy was established under the National Heritage Act 1983. Its function is to promote the education and learning of the history, deeds and traditions of the Naval Service and Auxiliaries.

The UK Commission for Employment and Skills is a company limited by guarantee, wholly owned by the Government and set up by the Department for Innovation, Universities and Skills to replace the Sector Skills Development Agency. It provides advice to Government on the strategies and policies needed to increase employment, skills and productivity.

The Sustainable Development Commission Limited is a company limited by guarantee, wholly owned by the Government and set up by the Department for Environment, Food and Rural Affairs. It is the Government's independent adviser on sustainable development.

Capital for Enterprise Limited is a company limited by guarantee, wholly owned by the Government and set up by the Department for Business, Innovation and Skills. The body designs, implements and manages finance measures to support small and medium-sized enterprises across the UK.

The Children's Workforce Development Council is a company limited by guarantee, wholly owned by the Government and overseen by the Department for Children, Schools and Families. It was set up to ensure that all who work with children are properly trained, and helps bring together those who work in the voluntary services to benefit children and young people.

The Learning and Skills Improvement Service was created by the Department for Innovation, Universities and Skills through a merger of the Centre for Excellence in Leadership and the Quality Improvement Agency. It is a company limited by guarantee, wholly owned by the Government. All staff were compulsorily transferred to the new body remain in the PCSPS but it is closed to all new entrants to the Learning and Skills Improvement Service. The body's role is to support providers and partners in the learning and skills sector.

The Renewable Fuels Agency is a body corporate established by the Department for Transport under the provisions of the Energy Act 2004. It was set up to help Government achieve its targets for the Renewable Transport Fuel Obligation.

Offices

The Chair of the Charity Commission oversees the Charity Commission, a non-ministerial government department. The Commission and the Chair are funded out of the Consolidated Fund.

The Chief Inspector of Prisons for England and Wales is appointed by the Justice Secretary for a term of 5 years and oversees the work of the Her Majesty's Inspectorate of Prisons. It is an independent inspectorate reporting on the conditions for and the treatment of those in prison, young offenders' institutes and immigration detention centres.

Stipendiary magistrates sit in Justice of the Peace Courts in Scotland and are appointed under section 74 of the Criminal Proceedings etc. (Reform) (Scotland) Act 2007 and are funded out of the Scottish Consolidated Fund.