

	<p>Pension Fund Committee</p> <p>4 September 2014</p>
<p style="text-align: right;">Title</p>	<p>Update on Admitted Bodies Organisations</p>
<p style="text-align: right;">Report of</p>	<p>Chief Operating Officer</p>
<p style="text-align: right;">Wards</p>	<p>N/A</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – Admitted Bodies Monitoring Sheet</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Karen Scott Karen.scott2@capita.co.uk 07785 454929</p>

Summary
London Borough of Barnet Pension Fund - Admitted Bodies update report

Recommendations
<p>1. That the Committee note the current Admissions information</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The report is to update the Pensions Fund Committee on the current position in terms of Admitted Bodies to the London Borough of Barnet Pension Fund

2. REASONS FOR RECOMMENDATIONS

- 2.1 Not Applicable

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not Applicable

4. POST DECISION IMPLEMENTATION

- 4.1 Once any recommendations in terms of Admitted Bodies have been approved, the Pension Fund will take appropriate action to update records and obtain Bond information.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 To maintain the integrity of the Pension Fund by monitoring of admitted body organisations and ensuring all third-parties comply fully with admission agreements and bond requirements. This ensures that pension fund liabilities are covered by the responding admitted bodies; this in return protects Barnet's liabilities and supports the Council's corporate priorities as expressed through the Corporate Plan.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Paragraph 4, above, deals with the financial implications of this report
- 5.2.2 There are no procurement, performance & value for money, staffing, IT, Property or Sustainability implications.

5.3 Legal and Constitutional References

- 5.3.1 Schedule 2 of the Local Government Pension Scheme Regulations 2013 provide that a Local Authority, as an 'Administering Authority' for the Fund, may admit an organisation into the Local Government Pension Scheme, subject to that organisation, or the contractual arrangement between that organisation and the Council, meeting the criteria set out in the Regulations.
- 5.3.2 With respect to an admission agreement, the Regulations further provide for an assessment of the level of risk arising on premature termination of the provision of the service or assets by reason of insolvency, winding up or liquidation of the admission body. The assessment must be with the benefit

of actuarial advice and, where the level of risk is such as to require it, the transferee admission body shall enter into an indemnity or bond to meet the level of risk identified.

5.3.2 The Council's standard admissions agreement makes provision for the admission body to maintain a bond in an approved form and to vary the level of risk exposure under the bond as may be required from time to time

5.3.3 The Council's Constitution, Responsibility for Functions, Pension Fund Governance Compliance Statement, empowers the Pension Fund Committee to "approve applications from organisations wishing to become admitted bodies into the Fund where legislation provides for discretion, including the requirements for bonds."

5.4 **Risk Management**

5.4.1 The ongoing viability of the Pension Fund is dependent on maximising contributions to the Fund. All admitted bodies are subject to actuarial assessments and are reviewed to ensure compliance with admissions agreements and maintenance of appropriate employer contribution levels in order to mitigate against any risk to the financial viability of the pension fund.

5.4.2 There is a possibility of financial losses on the Pension Fund where arrangements around admitted bodies and bond agreements are not sufficiently robust. Monitoring arrangements are in place to ensure that Admissions Agreements and bond (where relevant) are in place and that bonds are renewed, as appropriate, during the lifetime of the relevant Admission Agreement.

5.5 **Equalities and Diversity**

5.5.1 Ensuring the long term financial health of the Pension Fund will benefit everyone who contribute to it. Access to and participation in the Pension Fund is open to those with and those without protected characteristics, alike, provided that the criteria set out within the relevant Regulations are met

The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality into day business and keep them under review in decision making, the design of policies and the delivery of services

5.6 **Consultation and Engagement**

5.6.1 Not Applicable

6. BACKGROUND PAPERS

6.1 None

Admitted Body Monitoring Spreadsheet

Admitted Body	No Of active Employees on transfer	Start Date	Bondsman	Bond Value (£)	Bond Expiry date	Bond Tag (red)	Pension cont on time RAG	Comments
Housing 21 New	56	06/09/2010	Barclays Bank	778K	30/09/2015		G	
London Care	3	05/03/2012	Lloyds	60K	04/03/2015		G	This Admitted Body has now ceased as contract terminated, Actuary currently calculating exit figures and possibly 2 new Admission Bodies taking on the contract (Allied Healthcare and Hartwig Care)
Personnel & Care Bank	5	01/05/2012	Nat West	33K	31/10/2014		G	
Viridian Housing	11	22.04.2006	Euler Hermes UK	65K	16/08/2016		G	

Fremantle Trust (2)	83	28/03/2014	Royal Bank of Scotland	770K	27/03/2014	G	Actuary currently calculating current Bond required
Greenwich Leisure	22	31/12/2002	Zurich Insurance PLC	328K	08/02/2015	G	Actuary currently calculating current Bond required
Birkin Cleaning Services (St James Catholic)	6	24/10/2011	Technical & General Guarantee Company SA	13K	30/08/2014	G	Actuary currently calculating current Bond required
Go Plant	12	04/10/2008	HCC International Insurance Company PLC	290K	31/03/2014	G	Exited Fund 30/6/2014 this will be deleted on the next report
Mears Group	19	10/04/2012	Euler	320K	09/04/2015	G	

			Hermes					
NSL	31	01/05/2012	Lloyds TSB	412K	30/04/2017		G	
Blue 9 Security	2	03/08/2012	Evolution Insurance	61K	31/03/2014		G	Actuary currently calculating current Bond required
Music Service (BEAT)	2	01/03/2013	N/A	24K	28/02/2016		G	Guarantee provided by LB Barnet for a three year period
Capita (NSCSO)	412	01/09/2013	Barclays Bank PLC	4731K	01/09/2014		G	Actuary currently calculating current Bond required
Capita (DRS)	261	01/10/2013	Barclays Bank PLC	3,813K	01/10/2014		G	Actuary currently calculating current Bond required

OCS Group	13	31/5/2014	TBC	102k	31/5/2017		G	Bond currently being set up by employer
Ridgecrest Cleaning	4	24/7/2014	TBC	14k	24/7/2017			Bond currently being set up by employer

New Admitted Bodies being worked on:

Green Sky (Queenswell Infant School & Claremont School)

London Care contract Allied Healthcare & Hartwig Care

REPORT CLEARANCE CHECKLIST

(Removed prior to publication and retained by Governance Service)

Report authors should engage with their Governance Champion early in the report writing process and record the date below. If the decision/report has been reviewed at an internal board please record the date and name of the meeting (e.g. SCB). Otherwise enter N/A. All reports must be cleared by the appropriate Director/AD, Legal, Finance and Governance as a minimum. **Legal, Finance and Governance require a minimum of 5 working days to provide report clearance. Clearance cannot be guaranteed for reports submitted outside of this time.**

AUTHOR TO COMPLETE TABLE BELOW:

Who	Clearance Date	Name
Governance Champion	20/8/2014	Maria Lugangira
Director / AD		
Enabling Board / Delivery Board		
Commissioning and Policy		
Equalities & Diversity	n/a	Andrew Nathan
HR Business Partner		Mark Grimley
Strategic Procurement	n/a	
HB Public Law	20/8/2014	Caroline Eccles

Finance	22/8/2014	Ruth Hodson
Governance		