

	<h2 style="margin: 0;">Pension Fund Committee</h2> <h3 style="margin: 0;">18 January 2017</h3>
Title	<h3 style="margin: 0;">Update on Admitted Bodies Organisations</h3>
Report of	Interim Chief Executive
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 – Admitted Bodies Monitoring Sheet
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<h2 style="margin: 0;">Summary</h2>
<p>This report updates the Committee on the admitted bodies participating in the Local Government Pension Scheme administered by the London Borough of Barnet (LBOB).</p>

<h2 style="margin: 0;">Recommendations</h2>
<ol style="list-style-type: none"> 1. That the Pension Fund Committee note the update to the issues in respect of admitted body organisations within the Pension Fund, as detailed in Appendix 1.

1. WHY THIS REPORT IS NEEDED

- 1.1 The report is to update the Pension Fund Committee on the current position in relation to admitted bodies to the London Borough of Barnet Pension Fund.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In accordance with the Best Value Authorities Staff Transfer Direction 2007, issued under s.101 of the Local Government Act 2003, former Council employees must be offered the same pension benefits and rights or a Government Actuary Department approved broadly comparable scheme.

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 Appendix 1 notes the bond levels required for each admitted body which will act as guarantee for the Pension Fund liabilities.
- 5.2.2 All organisations that have been paying their contributions in a timely way in line with the terms of their admittance to the Pension Fund have been rated green in Appendix 1 apart from the newest admissions that are in the process of setting up payments.

5.3 Social Value

- 5.3.1 Membership of the Pension Fund ensures the long term financial health of the contributing employees on retirement.

5.4 Legal and Constitutional References

- 5.4.1 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.
- 5.4.2 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. However, the Regulations do allow in some circumstances for the scheme employer to act as guarantor.
- 5.4.3 The Council’s standard admissions agreement makes provision for the admitted 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.
- 5.4.4 Under the Council’s Constitution, Part 15 – Responsibility for Functions, one of the Pension Fund Committee’s functions is to “approve applications from organisations wishing to become admitted bodies into the Fund where legislation provides for discretion, including the requirements for bonds.”

5.5 Risk Management

- 5.5.1 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
- 5.5.2 There is a possibility of financial losses to 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 bonds (where relevant) are in place and that bonds are renewed, as appropriate, during the lifetime of the relevant admission agreement.

5.6 Equalities and Diversity

- 5.6.1 Ensuring the long term financial health of the Pension Fund will benefit everyone who contributes 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 to day business and keep them under review in decision making, the design of policies and the delivery of services

5.7 Consultation and Engagement

5.7.1 Not Applicable

5.8 Insight

5.8.1 Not applicable

6. BACKGROUND PAPERS

6.1 None

Admitted Body Monitoring Spreadsheet Appendix 1

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Housing 21 (2) New (employer 68)	56	06/09/2010	Barclays Bank	778	30/09/2015	NA	G	Housing 21 is no longer an admitted body in the fund from 01/08/2016. Actuary has confirmed that a cessation valuation is required. CEB (Capita) currently collating data.
Viridian Housing	11	22/04/2006	Euler Hermes UK	65	16/08/2016	R	G	Awaiting confirmation of agreed actuarial assumptions before bond value can be calculated by actuary
Fremantle Trust (2)	83	28/03/2014	Royal Bank of Scotland	770	27/03/2017		G	Contact will be made with this employer early in January 2017
Greenwich Leisure	22	31/12/2002	Zurich Insurance PLC	328	30/09/2017		G	

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Birkin Cleaning Services (St James Catholic) Approved	6	24/10/2011	Technical & General Guarantee Company SA	13	30/08/2015	R	G	Await actuarial report in terms of alternatives.
Mears Group Approved	19	10/04/2012	Euler Hermes	320	30/09/2017		G	
NSL Approved	31	01/05/2012	Lloyds TSB	412	30/04/2017		G	Contact will be made with this employer early in January 2017
Music Service (BEAT) Approved	2	01/03/2013	N/A	24	28/02/2016	R	G	Await actuarial report in terms of alternatives.
Capita (NSCSO) Approved	412	01/09/2013	Barclays Bank PLC	4,731	01/09/2017		G	

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Capita (DRS) Approved	261	01/10/2013	Barclays Bank PLC	3,813	01/10/2017		G	
OCS Group Approved	13	31/05/2014	HSBC	102	31/05/2017		G	Contact will be made with this employer early in January 2017
Ridgecrest Cleaning Approved	4	03/11/2014	HCC International	14	03/11/2017		G	
Green Sky (2)(Claremont School) Approved	4	19/01/2015	TBC	23		R	G	Await actuarial report in terms of alternatives.
Hartwig Approved	1	23/06/2014	N/A	N/A	N/A	NA	G	Liabilities retained by LBOB - no bond required
Allied Healthcare Approved	4	23/06/2014	N/A	N/A	N/A	NA	G	Liabilities retained by LBOB - no bond required

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Absolutely Catering (Queenswell School Catering Contract) Approved	1	01/09/2015	TBC	17	01/09/2018		G	21/12/2016 no Bond or Admission Agreement has ever been received despite many chasers, CEB have now been advised this contract has been re-procured and awarded to Pride Catering. CEB have contacted the school for confirmation of the current situation. Cessation calculation will be required for Absolutely Catering 1
Green Sky (3) (St Michael's School cleaning contract) Approved	5	01/09/2014	TBC	16		R	G	Await actuarial report in terms of alternatives.

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Absolutely Catering (2) (St James' Catholic School) (previously on report as Brookwood) Approved	8	01/01/2016	TBC	33	01/01/2019		G	Absolutely Catering have been conversing with CEB in terms of the paperwork and expect to send the Bond document shortly, currently awaiting final information from their insurer
Servest (Henrietta Barnet School) Approved	1	01/10/2015	TBC	7	01/10/2018	R	G	Servest have been conversing with CEB in terms of the paperwork and expect to send the Bond document shortly. Currently awaiting final information from their insurer.
ISS (Education and Skills – LBOB Catering) Approved	233	01/04/2016	NA	No Bond required LBOB guarantor	NA	NA	G	Awaiting signed Admission Agreement

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Cambridge Education (Mott Macdonald) (Education and Skills LBOB non-catering) Approved	113	01/04/2016	NA	No Bond required LBOB guarantor	NA	NA	G	Admission Agreement received and sent to legal for sealing
Hestia (Domestic violence service) Approved	1	18/04/2016	TBC	£15K	TBC		G	Admission Agreement received and sent to legal for sealing. Still awaiting Bond document but details are provided in the Admissions Agreement so it can be considered to be in place.

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Allied Healthcare 2 (Home Care Procurement – Healthcare) (split between AH2 and Hartwig 1 & 2 which are being joined to form Hartwig 3) Approved	5	01/08/2016	NA	No Bond required LBOB guarantor	NA	R	G	Admission agreement and bond prepared and issued by legal advisor, CEB advised advisor is actively chasing and will forward shortly

Admitted Body	No of Active Employees on Transfer	Start Date	Bonds man	Bond Value (£000)	Bond Expiry Date	Bond Tag (red)	Pension Contributions on Time RAG	Comments
Aqualfo (Home Care Procurement – Enablement) Approved	31	01/08/2016	TBC	£572 K	TBC		G	Admission Agreement and Bond has not been received. CEB have now been advised that this contract has been terminated due to service issues and the contract re-procured with Your Choice. A cessation valuation will be required, CEB currently liaising with legal advisor
APCOA	1	14/11/2016						CEB have just been informed that one member of staff has TUPE'D from NSL. Currently awaiting details as have had no involvement previously.

For information only (current activities)

Street Scene

We have been made aware there is a possible large re-procurement (500+ members) named Street Scene. We have now received the membership data and are currently collating the pensions information required by the actuary

Leisure Contract Management Operator

At initial stage, effective from 1/1/2018 (8 members). The membership data has been sent to the actuary to calculate the employer contribution rate and Bond level

Possible conversion to Academies

Bishop Douglas	Currently awaiting membership data from school
Oak Lodge School	Currently collating pensions information for the actuary
Oak Hill Campus	Currently awaiting membership data from school
JCOSS	Currently awaiting membership data from school