

	<p>Pension Fund Committee</p> <p>18 July 2017</p>
Title	<p>Pension Fund: Admission Body Agreement</p>
Report of	<p>Director of Resources</p>
Wards	<p>All</p>
Status	<p>Public</p>
Enclosures	<p>Appendix 1: Admission Agreement</p>
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<p>Summary</p>
<p>Capita plc, an admitted body of the London Borough of Barnet Pension Fund, has sold its Asset Services businesses to Link Administration Holdings (Link Group). This report is for the admittance of Link Group (who will be operating as Capita Treasury Solutions Limited) and for the determination of a bond requirement. They will become a sub – contractor of Capita plc in the provision of treasury advice as part of the NSCSO contract.</p>

<p>Decisions</p>
<p>That the Committee authorises the Director of Resources:</p> <ol style="list-style-type: none"> 1 To agree an admission agreement with Link Administration Holdings (Link Group) operating as Capita Treasury Solutions Limited and 2. Requires Link Administration Holdings (Link Group) operating as Capita Treasury Solutions Limited to provide a bond for the admitted body.

1. WHY THIS REPORT IS NEEDED

1.1 To approve an admission for a new admitted body to the pension scheme.

2. REASONS FOR DECISIONS

2.1 Following the sale of the Asset Services businesses from Capita plc to Link Administration Holdings (Link Group), this report is to approve Link Administration Holdings (Link Group) operating as Capita Treasury Solutions Limited to enter into an admission agreement with the LB Barnet Pension Fund and provide a bond.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.1 No other options applicable

4. POST DECISION IMPLEMENTATION

4.1 Link Administration Holdings (Link Group) operating as Capita Treasury Solutions Limited will become an admitted body in the LB Barnet Pension Scheme.

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 The actuary will set the bond levels required for the admitted body which will act as guarantee for the Pension Fund liabilities.

5.2.2 There is one person who was employed by Capita Asset Services and this employment has transferred to Link Administration Holdings (Link Group) operating as Capita Treasury Solutions Limited.

5.3 Social Value

5.3.1 None in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 Schedule 2, Part 3, paragraph 1 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, paragraph 6, Schedule 2, Part 3 of 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, under paragraph 8, Schedule 2, Part 3, 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 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 None in the context of this report.

5.8 **Insight**

5.8.1 None in the context of this report.

6. **BACKGROUND PAPERS**

6.1 None