
Meeting	Pension Fund Committee
Date	13 June 2012
Subject	Update on Admitted Body Organisations
Report of	Deputy Chief Executive
Summary	<p>This report updates the Committee on the Admitted Bodies participating in the Local Government Pension Scheme Fund administered by the London Borough of Barnet</p> <p>The report also updates the Committee on revisions to the Admissions Agreement template.</p>

Officer Contributors	John Hooton, Assistant Director of Strategic Finance Hansha Patel, Pension Services Manager
Status (public or exempt)	Public
Wards Affected	None
Key Decision	Not Applicable
Reason for urgency / exemption from call-in	Not Applicable
Function of	Pension Fund Committee
Enclosures	Appendix 1- Admitted Body Monitoring Spreadsheet
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1. RECOMMENDATIONS

That the Committee:

- 1.1 note the update to issues in respect of admitted body organisations within the Pension Fund, as detailed in the attached Appendix 1.**
- 1.2 note the revision to the Admission Agreement template, as detailed in Section 12 of this report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 none

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 To maintain the integrity of the Pension Fund by ensuring robust monitoring of admitted body organisations and ensuring all third-parties comply fully with admission agreements and bond requirements. The principle supports the Corporate priority of 'better services with less money'.

4. RISK MANAGEMENT ISSUES

- 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.
- 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. New monitoring arrangements are in place to ensure that Admissions Agreements and, where relevant, bonds, are in place and that bonds are renewed, as appropriate, during the lifetime of the relevant Admission Agreement.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to the Equalities Act 2010, the council is under an obligation to have due regard to eliminating unlawful discrimination, advancing equality and fostering good relations in the contexts of age, disability, gender reassignment, pregnancy, and maternity, religion or belief and sexual orientation.
- 5.2 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.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

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

7. LEGAL ISSUES

- 7.1 The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) 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. Under the Regulations, the form of admission available to a contractor would either be 'a community admission body', or 'a transferee admission body' as defined in the Regulations
- 7.2 With respect to an admission agreement with a transferee admission body, 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 transferee 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.
- 7.3 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.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution)

- 8.1 The Council's constitution, Part 3 – Responsibility for Functions, Pension Fund Governance Compliance Statement, paragraph 2.2.13 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."

9. BACKGROUND INFORMATION

This report provides an update on issues previously reported at the Committee meeting held in March 2012.

The report also provides an update of the revision to the Admission Agreement template.

10. LIST OF BACKGROUND PAPERS

- 10.1 Appendix 1 to this report provides an update on the Admitted Body issues.

12 REVISION OF THE ADMISSIONS AGREEMENT TEMPLATE

- 12.1 In order to take account of the externalisation of services and staff, under the One Barnet Programme and, with the benefit of legal advice, revisions have been made to the Admissions Agreement template.
- 12.2 The revised agreement will allow access to the Local Government Pension scheme for a larger number of staff, who are transferring under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) (“TUPE”) to third party organisations, which will provide services to the Council, a Local Government Scheme employer.

Without the revision(s), the admissions agreement template contains the following clauses:

1. “An employee (identified in the admissions agreement) of the Transferee Admission Body will be eligible to join the Local Government Pension Scheme if employed in connection with the Contract”.
 2. ‘In connection with’ shall mean the **majority** of his time working in delivering the services referred to in the Contract.
- 12.3 The second sub-clause (i.e. 2 above) has been removed from the revised Admissions Agreement. As a result, transferred staff will be eligible to join the Local Government Pension Scheme provided a percentage of their time is spent working in delivering the services which are the subject of the contract Between the council and the, relevant, Contractor/Transferee Admission Body.

APPENDIX 1

Admitted Body Monitoring Spreadsheet

Admitted Body	No Of active Employees	Start Date	Bondsman	Bond Value (£)	Bond Expiry date	Bond 6mth Tag (red)	Pension cont on time RAG	Comments
Housing 21 New	56	01/09/2010	Barclays Bank	778K	30/09/2015		G	
LondonCare	3	Refer to additional report from service area					R	Admissions agreement and bond agreement currently being dealt with by Legal
PersonellCare	5	Refer to additional report from service area					R	Admissions agreement and bond agreement currently being dealt with by Legal
Viridian Housing	11	22.04.2006	Euler Hermes UK	65K	16/08/2016		G	
Fremantle Trust	83	01.04.2010	Zurich Insurance PLC	1.4M	20.08.2013		G	
Birkins Cleaning	1	01.09.2009	FIBI Bank (UK) PLC	3.8K	30/06/2012	A	G	Bond currently being renewed by Birkins for a longer term with a new Bank.
Go Plant	12	04.10.2008	Bank of Scotland PLC	220K	03.10.2012		G	New bond currently being executed by Legal for the period to 23/05/2013
Turners Industrial Cleaning	1	01.04.2008	Lloyds TSB Securities	6.2K	continuing		G	
Greenwich Leisure	22	31.12.2002	Zurich Insurance PLC	328K	08.02.2015		G	

YGEN	1	01.04.2008	Euler Hermes UK	32K	31.03.2012	R	G	Late extension of the contract to 30/06/2012. Pension contribution liability has been cleared to 30/06/2012. Y-Gen has been requested to extend the bond to 30/06/2012 or alternatively clear the pension fund deficit, which has been confirmed by the actuaries (£12,000) Response has been requested by 08/06/2012.
Friend of Moat Mount (registered charity)	1	01.04.2008	N/A	N/A	N/A		G	Community Admissions Agreement- no bond required
Mears Group	19	10/04/2012	Euler Hermes	£320K	09/04/2013			
NSL		01/05/2012	Lloyds TSB	412K	30/04/2017		G	
RR Donnelley	7	20/04/2012	NatWest	141K	31/10/2012		G	