

	<p><b>Pension Fund Committee</b></p> <p><b>29 July 2019</b></p>
<p><b>Title</b></p>	<p><b>Admitted Body and Bond Status Update</b></p>
<p><b>Report of</b></p>	<p>Director of Finance</p>
<p><b>Wards</b></p>	<p>N/A</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>No</p>
<p><b>Enclosures</b></p>	<p>None.</p>
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<p><b>Summary</b></p>	
<p>This report provides the Pension Fund Committee with a status update on the outstanding admitted body and bond agreements, as well as bond renewals and cessation calculations, that need arranging.</p>	
<p>The Council has been working with relevant employers, Capita, Hymans Robertson and HB Public Law to ensure outstanding admission and bond agreements are put in place.</p>	
<p><b>Recommendations</b></p>	
<p>That the Pension Fund Committee note the progress on outstanding admitted body and bond agreements, including bond renewals and cessation calculations.</p>	

## 1. WHY THIS REPORT IS NEEDED

1.1 The Report is to update the Pensions Fund Committee on outstanding work in relation to admissions, cessations and bond renewals.

### Admission Agreements

1.2 Since the last update, 4 admission agreements have been completed in respect of Caterlink (Compton), Elior 2 (Cophall), Elior 1 (Archer) and Churchill Catering (Queenswell). The employers listed below are seeking to participate in the Local Government Pension Scheme. The Council is continuing to work with the employer, HB Public Law, and Hymans Robertson to arrange the admission agreements:

	<b>Employer</b>	<b>Contract Start Date</b>
1	Caterlink (Holly Park School)	
2	Caterlink (Queen Elizabeth Girls School)	01/08/2016
3	Churchill Catering (Queenswell School)	28/05/2016
4	Green Sky 1 (St Lawrence)	01/05/2018
5	Green Sky 2 (Claremont)	19/01/2015
6	Green Sky 3 (St Michaels)	01/09/2014
7	HCL	01/09/2018
8	Olive Dining (Archer Academy)	01/09/2018
9	St Andrew's C of E (Ashlyn's)	01/04/2017

1.3 Since the last update provided to the Pension Fund Committee on 30 May 2019, admission agreements are with the organisations below for signing:

- Caterlink (Totteridge)
- Cambridge Education

1.4A comprehensive admission agreement process, has now been agreed with key stakeholders and adopted as final.

### Cessation

1.5 When the last active member leaves the Local Government Pension Scheme a cessation valuation must be calculated. The Council's actuary, Hymans Robertson, calculates both assets and liabilities in relation to the Scheme Employer to understand if there is a surplus or deficit at the end of the contract.

1.6 Since the last update, 2 cessations have been completed (Elior 1 and 2) and the Council is currently working with the relevant Employers, HB Public Law, and Hymans Robertson to arrange the below cessation calculations:

	<b>Employer</b>	<b>Contract End Date</b>
1	Absolutely Catering (1) Queenswell	27/05/2016
2	GLL	31/12/2017
3	Housing 21	30/09/2015
4	Allied Healthcare	13/12/2018
5	Freemantle Trust	30/06/2019

### **Bonds and Bond Renewals**

1.7 The below table sets out the Scheme Employers that require a bond to be put in place.

	<b>Employer</b>	<b>Bond</b>	<b>Expired</b>
1	Absolutely Catering (2) St James' Catholic School	Renewal	01/01/2019
2	Fremantle Trust (2)	Renewal	17/04/2019
3	Hestia (Domestic Violence Service)	Renewal	05/12/2018
4	NSL Limited	Renewal	30/04/2017
5	OSC Group	Renewal	31/05/2017
6	Ridgecrest Cleaning	Renewal	30/09/2018
7	Servest (Henrietta Barnet School)	Renewal	01/11/2018
8	Viridian Housing	Renewal	16/08/2016

1.8 Since the last update provided to the Pension Fund Committee on 30 May 2019, bond agreements are with the organisations below for signing:

- Mears
- BEAT

## **2. REASONS FOR RECOMMENDATIONS**

2.1 There is no action required of the Committee.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 Not applicable.

### **4. POST DECISION IMPLEMENTATION**

4.1 Not applicable.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

5.1.1 To maintain the integrity of the Pension Fund by monitoring 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 participating 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 work identified above is being done within existing resources.

#### **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 Regulation 2 and 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 because 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 obtain an indemnity or bond to meet the level of risk identified.

## **5.5 Risk Management**

5.5.1 The ongoing viability of the Pension Fund is dependent on acquiring assets that match the pension liabilities. All admitted bodies are subject to actuarial assessments and are reviewed to ensure compliance with admissions agreements and maintenance of appropriate employer contribution levels 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, bond agreements and contributions are not sufficiently robust. The Council is improving internal controls to ensure the Fund is protected.

## **5.6 Equalities and Diversity**

Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation.

## **5.7 Consultation and Engagement**

5.7.1 Not Applicable

## **5.8 Insight**

5.8.1 Not applicable

## **6. BACKGROUND PAPERS**

6.1 None