



Pension Fund Committee

14 December 2021

Title	Admitted Body and Bond Status Update
Report of	Director of Finance
Wards	N/A
Status	Public, with exempt appendix.
Urgent	No
Key	No
Enclosures	<p>Appendix A – Update on Admission Agreements Appendix B – Update on Cessations Appendix C – Update on Bond renewals Appendix D – Discussion on Fremantle Trust Surplus (exempt)</p> <p>Exempt enclosure – appendix D - Not for publication by virtue of paragraphs 3 of Schedule 12A of the Local Government Act 1972 as amended (Information relating to the financial or business affairs of any particular person (including the authority holding that information)).</p>
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Summary

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.

The Council has been working with relevant employers, West Yorkshire Pension Fund (WYPF), Hymans Robertson and HB Public Law to ensure outstanding admission and bond agreements are put in place.

Officer Recommendations

That the Pension Fund Committee note the progress on outstanding admitted body and bond agreements, including bond renewals and cessation valuations and that the Pension Fund Committee approve the admission into the Fund of Hire-a-Pitch Events (Whitefield Trust School) and Alliance in Partnership (Osidge School)- as listed in 1.7.

WHY THIS REPORT IS NEEDED

- 1.1 The Report is to update the Pensions Fund Committee on the current position in relation to outstanding admissions, cessations and bond renewals.
- 1.2 Work continues to get the “legacy” Admissions and Cessation completed and these are nearing completion.
- 1.3 Where Admission Agreements, Cessation Valuations or the provision of Bonds are delayed by employers, will consider using the appropriate action considering the actions permitted in the Pensions Administration Strategy document for the Barnet Fund.
- 1.4 There are two new admitted bodies to the fund.

Admission Agreements

- 1.4 The employers listed below are seeking to participate in the Local Government Pension Scheme. An update on the progress of completing the Admission Agreements is attached in Appendix A.

	Employer	Contract Start Date
1	Atlas Cleaning (Claremont)	19/01/2015
2	Olive Dining (Archer Academy)	01/09/2018
3	Innovate (St James Catholic School)	01/08/2019
4	Olive Dining (St Joseph’s Primary)	01/08/2019
5	City & County Healthcare Group (previously MI Homecare)	14/12/2018
6	Sancroft Community Care Ltd	01/06/2019
7	Innovate (Blessed Dominic)	01/09/2019
8	Signature Education (Pardes House Primary)	01/04/2021
9	Signature Education (Sacks Morasha)	01/04/2021
10	Signature Education (Hasmonean Primary)	01/04/2021
11	JB Riney	01/04/2021
12	Tenon (St Michaels School)	01/04/2021
13	Hire-a-Pitch Events (Whitefield Trust School)	01/10/2021

14	Alliance in Partnership (Osidge School)	01/08/2018
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- 1.5 Since the last Committee meeting, the Admission Agreement for Atlas Cleaning (Claremont School) has been signed by both the employer and school and is now with HB Law for sealing.
- 1.6 Officers have set target dates for employers to either provide outstanding information or to sign Admission Agreements. If these deadlines are not met, Officers have advised these employers that they will not be admitted to the Fund and that the members will be advised accordingly. An update will be provided at the meeting on those employers where the deadline will have passed between the date that this report was written and the meeting.
- 1.7 The Committee are asked to approve the admission of both Hire-a-Pitch Events (Whitefield Trust School) and Alliance in Partnership (Osidge School) into the Fund. For the former, one employee would join the Banet Fund. For the Alliance in Partnership, who provide catering services to Osidge School, Officers have only recently found out that this employer has been employed by the School since 2018 when four employees were TUPE'd across from the School. WYPF are obtaining data for both employers.

Cessations

- 1.8 When the last active member leaves the Local Government Pension Scheme a cessation valuation must be calculated. The Actuary calculates both assets and liabilities in relation to the Employer to understand if there is a surplus or deficit at the end of the contract.
- 1.9 Progress has again been made in completing cessation valuations for the employers listed below. An update on progress is included in Appendix B.

	Employer	Contract End Date	Surplus/(Deficit)
1	Absolute Catering (St James' Catholic School)	31/07/2019	tbc
2	Freemantle Trust	31/05/2019	£1,453,000
3	Ridgecrest	01/09/2018	£9,000
4	Caterlink (Totteridge Academy)	23/02/2020	tbc
5	Ashlyn's (St Andrew's C of E School)	31/07/2020	tbc
6	Hestia	31/03/2021	tbc
7	Atlas Cleaning (St Michaels)	31/03/2021	tbc

8	Caterlink (QE Girls School)	31/08/2021	tbc
9	Hartwig	09/07/2021	tbc

- 1.10 Details regarding Fremantle Trust are included in the exempt Appendix D.
- 1.11 For Ridgecrest, Officers have previously offered the employer a payment of £3,000 based on an estimate of the contributions paid by Ridgecrest whilst participating in the Fund. The total surplus is £9,000. Officers have spoken to the employer and are waiting for the employer to decide whether to make representations to the Committee for a larger payment.
- 1.12 For Absolute Catering (St James' Catholic School) and Hestia, there is one outstanding retirement for each employer that WYPF are processing. The members concerned are both due payment of their benefits and until they return their forms, WYPF cannot finalise their benefits and then provide cessation data to Hymans. WYPF are chasing the member for these forms.
- 1.13 Again, Officers have set target dates for employers to provide outstanding information so cessation valuations can be completed. If these deadlines are not met, Officers will advise these employers that they will not be admitted to the Fund and that the members will be advised accordingly. An update will be provided at the meeting on those employers where the deadline will have passed between the date that this report was written and the meeting.

Bonds and Bond Renewals

- 1.16 The table below sets out the Employers where a renewed bond is required or is being calculated. An update is provided in Appendix C.

	Employer	Bond required	Bond in place
1	Atlas Cleaning (Claremont)	£64,000	No
2	Innovate (St James)	£85,000	No
3	Olive Dining (Archer Academy)	£25,000	No
4	Churchill Catering (Queenswell School)	£8,000	No
5	Caterlink (Holly Park School)	£8,000	No
6	Caterlink (Compton School)	£85,000	No
7	Innovate (Blessed Dominic)	tbc	No
8	Signature Education (Pardes House Primary)	£31,000	No
9	Signature Education (Sacks Morasha)	£43,000	No
10	Signature Education (Hasmonean Primary)	£9,000	No
11	Sancroft Community Care Ltd	tbc	No
12	Tenon (St Michaels School)	tbc	No
13	Hire-a-Pitch Events (Whitefield Trust School)	tbc	No
14	Alliance in Partnership (Osidge School)	tbc	No

- 1.17 Officers continue to work with Employers for the outstanding bonds and chasing WYPF for the data required by the Actuary to calculate the bond values.
- 1.18 Where employers do not provide a Bond within the timeframe requested by Officers (as shown in Appendix C), Officers will request that Hymans recalculate the employer's contribution rate, to cover the non-provision of the indemnity. This policy is detailed in the Contribution Review Policy approved by the Committee at the meeting on 28 October 2021.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Committee should be notified and approve the admittance of new employers who require Admitted Body status in the Fund.

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 By monitoring admitted body organisations and ensuring all third parties comply fully with admission agreements and bond requirements, good management of the Pension Fund is maintained. This is because the cost of providing benefits will be equitably split between all employers, thus enabling funds to be directed to Council priorities as set out in the Council's Corporate Plan for 2020-2025.

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

- 5.2.1 There are no immediate financial implications from the report. However, it is important that admitted bodies have their contribution set by the Actuary to ensure that employers can commence membership in the Scheme with an equitable contributions rate and that cessation values are calculated to ensure that any deficits from ceasing employers are paid for.

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 3 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.

The Council's Constitution – Article 7 – sets out the responsibilities of the Pension Fund Committee which are to have responsibility for all aspects of the governance, investment and administration of the LB Barnet Pension fund including to approve admissions agreements with any admission body. It is therefore considered appropriate for the Pension Fund Committee to receive this report.

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

- 5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to 1) eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; 2) advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and 3) 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. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to parts 2) and 3) (above) of the public-sector equality duty.
- 5.6.2 The rules governing admission to and participation in the Pension Fund are in

keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Not required.

5.9 Insight

5.9.1 Not applicable

6. ENVIRONMENTAL IMPACT

6.1 None

7. BACKGROUND PAPERS

6.1 None
