

Report for: Pensions Committee 14 January 2016

Item number: 14

Title: Administration Report

Report

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Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non Key decision

1. Describe the issue under consideration

Pensions Administration Report

2. Cabinet Member Introduction

N/A

3. Recommendations

That members note :

3.1.1 A report to the Pensions Regulator was sent regarding a 'non-material' breach and the actions being taken to rectify the position.

3.1.2 The Section 151 Officer agreed on behalf of the Pension Committee the entry of Lunchtime Company Limited as an Admission Body into the Council's Pension Scheme in respect of their catering service contract with the Governing Body of Earlsmead School starting on 1 January 2016.

3.1.3 The new web address of the pensions website.

3.1.4 The impending launch of the new 'Tell Us Once' service.

That members agree :

3.2.1 That the catering contractor Pabulum Catering Limited be admitted to the Council's Pension Scheme as an Admission Body in relation to the provision of catering under contracts with the Governing Bodies of each of the following schools :-

(a) Tetherdown School

(b) Lea Valley Primary School

(c) St Peter in chain RC Infants School

(d) Belmont Infant School

- (e) Belmont Junior School
- (f) Alexandra Primary School
- (g) St Martin of Porrs RC Primary School
- (h) Earlham Primary School
- (i) St John Vianney School
- (j) South Haringay School

subject in each case to the contractor entering into an admission agreement with the Council in respect of the particular contract. The reason being Pabulum Catering Limited is entering into catering service contracts with the Governing Bodies of the above schools

3.2.2 That admission agreements satisfactory to the Council be entered into in respect of each of the above contracts, and that the agreements are closed agreements, such that no new members can be admitted.

3.2.3 That the catering contractor Absolutely Catering Limited be admitted to the Council's Pension Scheme as an Admission Body, in relation to the provision of catering under a contract with Trinity Primary Academy, subject to the contractor entering into an admission agreement with the Council in respect of the contract. The reason being Absolutely Catering Limited is entering into a catering service contract with Trinity Primary Academy.

3.2.4 That an admission agreement satisfactory to the Council be entered into in respect of the contract, and that the agreement is a closed agreement, such that no new members can be admitted

4. Reasons for decision

Under the Local Government Pension Scheme Regulations 2013, if a body is an admission body as defined by the Regulations, then if the administering authority makes an admission agreement with that body, the body's employees will be eligible for membership of the Scheme if designated under the terms of the agreement. A body will be an admission body if, inter alia, it is providing or will provide a service in connection with the exercise of a function of a Scheme employer, as a result of the transfer of the service or assets by means of a contract or other arrangement.

5. Alternative options considered

n/a

6. Background information

6.1 Annual Benefit Statement reporting Breach for committee

6.1.1 The Local Government Pension Scheme (LGPS) Regulations required the Administering Authority, Haringey Council, to issue Annual Benefit Statements for 2015 to members by 31 August 2015.

6.1.2 Almost all of the 89 LGPS fund administrators experienced problems and were unable to fully comply with this deadline. Haringey Council did issue the benefit statements to the deferred beneficiaries within the timescales.

6.1.3 The reasons for the delay in the production of the annual benefit statements for active members included the following:

- the implementation of the changes to the LGPS from April 2014 meant significant amendments being made to the employer reporting for both the Final Salary and Career Average Revalued Earnings sections of the scheme. Obtaining accurate and timely data and information from employers to meet the requirements of the new scheme proved difficult.
- The implementation of a new administration system which will allow us to upload pay data to the pensions administration system has had teething problems and has taken some time to resolve.

6.1.4 Having reviewed the Guidance, this was reported to the Pensions Regulator as a non-material breach due to "teething problems" as referred to in paragraph 257 of the Regulator's code of practice.

- Statements have now been issued to members.
- Work is continuing with the pension software system to upload the new format annual returns from all employers in the scheme

6.1.5 We are working closely with payroll providers and the software providers in order to prevent these problems recurring next year

6.2. Delegated Authority New Employer seeking Admission Body Status

6.2.1 On 18th September 2014 the Committee granted delegated authority for the Section 151 Officer to agree the entry of Lunchtime Company Limited into the Council's Pension Scheme as an Admission Body in respect of their catering service contract with the Governing Body of Earlsmead School starting on 1 January 2016.

6.2.2 The new employer Lunchtime Company Limited requested Admission Body Status, the reason being it entered into a catering service contract with the Governing Body of Earlsmead School with effect from 1 January 2016.

6.2.3 The employer contribution rate is 29.7% . As an alternative to carrying deficit liability and providing a bond the contractor has the option to and will pay an additional 5% employer contribution. The staff are required to work no less than 50% of their time on the contract. The admission agreement is closed and only the TUPE transferred staff can participate in the LGPS.

6.3 Pensions Website

We will shortly be launching the new look pensions website www.haringeypensionfund.co.uk. It will incorporate the pension administration system member self service.

6.4 Tell us Once / NI Database

The DWP in conjunction with the LGA is onboarding all local authorities to the Tell Us Once service. Where a next of kin / informant agrees to the registration of death being part of the Tell Us Once Service we will be formally notified of the death and in these cases we will not require sight of a death certificate.

6.5 New Employers seeking Admission Body Status

6.5.1 The following schools, Tetherdown School, Lea Valley Primary School, St Peter in Chain RC Infants School, Belmont Infant School, Belmont Junior School, Alexandra Primary School, St Martin of Porres RC Primary School, Earlham Primary School, St John Vianney School, South Harringay School will be outsourcing their catering functions on 1 April 2016 to Pabulum Catering Limited under separate contracts between each school's Governing Body and Pabulum Catering Limited.

6.5.2 In total 31 staff will be tupe transferred, they are members of the LGPS. The admission agreements in respect of all the contracts will be closed and only the TUPE transferred staff can participate in the LGPS. The contract length is initially 3 years with a possible extension of two years, staff are required to work no less than 50% of their time on the contract. The actuary has been asked to calculate the contractor's individual employer contribution rate and bond value in respect of each contract.

6.5.3 Trinity Primary Academy will be outsourcing their catering function on 22 February 2016 to the catering contractor Absolutely Catering Limited. The actuary has been asked to calculate the contractor's employer contribution rate and bond value in respect of the contract.

6.5.4 Five staff will be tupe transferred, they are members of the LGPS. The admission agreement will be closed and only the TUPE transferred staff can participate in the LGPS. The contract length is for 3 years, staff are required to work no less than 50% of their time on the contract.

7. Contribution to strategic outcomes

N/A

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

The proposed new admitted bodies represent a small proportion of the membership. Although they are fully funded at inception the contribution rates are generally higher than the Council reflecting the low risk approach to calculating employer contribution rates for admitted bodies.

There are no financial implications arising from the other matters discussed in the report.

Assistant Director of Corporate Governance

The legal implications are contained in the body of the report

9. Use of Appendices

10. Local Government (Access to Information) Act 1985