


Report for: Pensions Committee 23 July 2018

Title: Pensions Administration Report

Report authorised by : Jon Warlow, Director of Finance (S151 Officer)

Lead Officer: Janet Richards – Pensions Manager

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Ward(s) affected: Not applicable

**Report for Key/
Non Key Decision:** Not applicable

Describe the issue under consideration

- 1.1. This report presents details of potential new admissions to the pension fund.
- 1.2. Update of Haringey Council's Discretionary Policy Statement.
- 1.3. The report also gives a breakdown of the amount of visits made to the Haringey pension fund website.
- 1.4. This report includes the most recent internal audit of the pensions administration service, which showed a substantial assurance rating of the service, this is for members to note.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations that Members:

- 3.1. Approve the admission of ISS Mediclean Limited as a new employer to the Pension Fund, subject an Admission Agreement being entered into and to their securing a bond or a guarantee from a third party in line with the LGPS regulations, to indemnify the pension fund against any future potential liabilities that could arise.
- 3.2. Approve the admission of Haringey Education Partnership as a new employer to the Pension Fund and subject to an Admission Agreement being entered into, as detailed in paragraphs 4.4 to 4.8 of this report, and note they will be included within the Council's pool of employers.

- 3.3. Approve the updated Discretionary Policy Statement.
- 3.4. Note that this report gives a breakdown of the amount of visits made to the Haringey pension fund website.
- 3.5. Note the most recent audit of the pensions administration service.

4. Reason for decision

New Admission Body to the Fund

ISS Mediclean Ltd

- 4.1. West Green School has tendered its cleaning service and the successful bidder was ISS Mediclean Limited. It is proposed that ISS Mediclean be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the cleaning Service for West Green School, subject to ISS Mediclean Ltd entering into an admission agreement with the Council so that those eligible employees can remain within the Haringey Pension Fund.
- 4.2. That an admission agreement satisfactory to the Council, be entered into - in respect of the service contract and that the agreement is a closed agreement, as such that new members cannot be admitted.
- 4.3. The Employer contribution rate is 29% and the bond is £50,000. The staff are required to work no less than 50% of their time on the contract.

Haringey Education Partnership

- 4.4. Haringey Council has made a decision to commission statutory and strategic school improvement functions, and has entered into a contract with Haringey Education Partnership (HEP,) under which HEP will carry out those functions for the Council.
- 4.5. It is proposed that HEP be admitted to the Haringey Pension Scheme as an Admission Body from 1 September 2018 ,subject to HEP entering into an admission agreement with the Council , that is satisfactory to the Council, so that those employees designated by HEP as eligible will be entitled to be members of the Haringey Pension Fund.
- 4.6. Under Regulation 3(1)(iii) of the LGPS Regulation 2013 HEP has designated a class of employee eligible to join the pension scheme.
- 4.7. The designated eligible employees that the admission agreement will be open to are the Governor Support Officers and the Senior Governor Support Officers. The admission agreement will be closed to all other employees of HEP.

4.8. HEP will be included within the Haringey Council pool of employers, and they will pay the same employer contribution rate as Haringey Council which is currently 24.9%.

5. Alternative options considered

Not applicable.

6. Background information:

Discretionary Policy Statement

6.1. The Local Government Pension Scheme Regulations 2013 requires scheme employers to formulate, review and update their Pensions Discretionary Statements.

6.2. The Pensions Administration Discretionary Statement has been reviewed and updated, to make it clear that Haringey Council will exercise the discretion to abate the pensions of former employees who are retired early, if they are re employed by any of the scheme employers in the Haringey LGPS Pension fund.

Haringey Website Views

6.3. The visits to the Haringey website www.haringeypensionfund.co.uk for the last four months are as follows:

	users	Page views
February 2018	309	1655
March 2018	329	1790
April 2018	332	1724
May 2018	357	1766

The average amount of users per month to the pension website is 331 and they view on average 1733 pages, just over 5 pages for each user.

Internal Audit Report

6.4. The pensions administration service is regularly audited in line with the Council's audit plan. The most recent audit was performed in April and May 2018. This provided a substantial assurance rating for the service. Members are asked to note this.

7. Contribution to strategic outcomes

7.1. Not applicable.

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

Chief Finance Officer

- 8.1. All Administering Authorities within the Local Government Pension Scheme (LGPS), must publish and maintain a discretionary policy statement, it is good practice to keep this under regular review, as is done within this report.
- 8.2. The admission of new bodies into the Fund will only be done after careful consideration of the risks presented to the fund by new admission bodies, unless their admission is required by statute, and the Fund has no discretion, (i.e. in the case of Academy schools). In the case of outsourcings of services to commercial bodies, admission will only be granted on the basis that the admission body provides a bond, or guarantee from a sufficiently robust third party, to indemnify the Fund against any future liabilities which may arise, e.g. insolvency on the part of employers etc. Occasionally, the Fund may include new employers within the Council pool of employers for pensions purposes, as is the case for all Haringey schools other than Academies, meaning that all assets and liabilities for these groups of employers are pooled, and a common contribution rate is paid.
- 8.3. The pensions administration service are the gatekeepers of the fund's circa £1.6bn of pension liabilities, ensuring that pension benefits are administered accurately and efficiently. It is therefore pleasing to note the high standards of work within the service, as reported in the internal audit report.

Assistant Director of Corporate Governance

- 8.4 The report seeks authority to admit two employers as admitted body to the Haringey Pension Fund. A person is eligible to be an active member of the Scheme in an employment if employed by an admission body and is designated, or belongs to a class of employees that is designated by the body under the terms of an admission agreement, as being eligible for membership of the Scheme;
 - 8.5 Both ISS Mediclean Ltd and the HEP are eligible to become admission bodies because:
 - 8.5.1 ISS Mediclean Ltd is a body that is providing or will provide a service or assets 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;
 - 8.5.2 The HEP is a body which is owned by the Council and which provides a public service in the United Kingdom which operates otherwise than for the purposes of gain and has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest (whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise).
 - 8.6 Regulations 60 requires a scheme employer to prepare a written statement of its policy in relation to the exercise of its functions under regulations in respect of funding of additional pension, flexible retirement, waiving of actuarial reduction and award of additional pension. The administering authority must prepare such a statement in relation to the exercise of its functions in respect of
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waiving of actuarial reduction in cases where a former employer has ceased to be a scheme employer. The body must then keep the statement under review. In preparing, or reviewing and making revisions to its statement, a body must have regard to the extent to which the exercise of these functions in accordance with its policy could lead to a serious loss of confidence in the public service.

9. Use of Appendices

- 9.1. Appendix 1 - Haringey Council Discretionary Statement
- 9.2. Appendix 2 – Internal Audit Report

10. Local Government (Access to Information) Act 1985 Not Applicable