

**Report for:** Pensions Committee and Board – 14 March 2019

**Item number:**

**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

## 1. Describe the issue under consideration

- 1.1. The report gives a breakdown of the amount of visits made to the Haringey pension fund website.
- 1.2. This report presents details of a new admission to the pension fund.
- 1.3. Review the Internal Resolution Disputes Procedure (IDRP).

## 2. Cabinet Member Introduction

- 2.1. Not applicable

## 3. Recommendations that members:

### **Note:**

- 3.1 Note that the report gives a breakdown of the amount of visits made to the Haringey pension fund website.

### **Note and Approve:**

- 3.2 Approve the admission of Brayborne Facilities Services Limited as a new employer to the Pension Fund, subject 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 or paying an increase contribution rate in lieu of a bond.

### 3.3 **Note and Approve:**

The updated pension fund's Internal Dispute Resolution Procedure notifies that the new stage one adjudicator for Haringey Council's appeals is the Head of Pensions, Treasury and Chief Accountant. The revised procedure is attached.

#### 4. Reason for decision

##### New Admission Body to the Fund

- 4.1. Mulberry Primary School has tendered its premises and cleaning service and the successful bidder was Brayborne Facilities Services Ltd. It is proposed that Brayborne Facilities Services Ltd be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the Cleaning Service for Mulberry Primary School, subject to Brayborne Facilities Services 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 each of the service contracts and that the agreements are closed agreements, as such that new members can not be admitted.
- 4.3. Under the LGPS, if a body is an admission body as defined by the Regulations; the administering authority enter into an admission agreement with that admitted body. The admitted body's employees which have transferred over and providing the service will be eligible for membership of the Scheme if designated under the terms of the agreement. An admitted body 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 another arrangement.

#### 5. Alternative options considered

Not applicable

#### 6. Background information:

- 6.1. The visits to the Haringey website [www.haringeypensionfund.co.uk](http://www.haringeypensionfund.co.uk) for the last two months and a year ago are as follows:

	users	Page views
December 2017	209	1,005
December 2018	310	1,190
January 2018	347	1,515
January 2019	441	1,831

The average amount of users per month to the pension website is 375 and they view on average 1,510 pages, just over 4 pages for each user.

- 6.2. Mulberry Primary School has tendered its cleaning service, which will transfer to Brayborne Facilities Services Ltd on 18th March 2019. Nine staff will be TUPE transferred; seven are members of the LGPS. The admission agreement will be closed and only the TUPE transferred staff can participate in the LGPS. Staff are required to work no less than 50% of their time on the contract. The actuary has

calculated that Brayborne Facilities Services Ltd will pay a rate of 29.2% for employer's pension contributions and secure a bond of £56,000

- 6.3. The admission to Haringey Pension Fund will be conditional upon Brayborne Facilities Services Ltd securing a bond of £56,000 or guarantor which will indemnify the Pension Fund should Brayborne Facilities Services Ltd fail to pay across any amounts due to the pension fund over the course of the contract. Otherwise a 'pass through' arrangement can apply where Brayborne Facilities Services Ltd will be required to pay an additional contribution rate of 5% in lieu of a bond but will not receive an exit credit or be required to pay an exit debit on the termination of the contract, (under this scenario a ceding employer is essentially acting as guarantor).
- 6.4. The pension section has reviewed the Internal Disputes Resolution Procedure (IDRP) process. The new Adjudicator who will deal with Stage One appeals will be the Head of Pensions, Treasury and Chief Accountant, the former Adjudicator was the Head of Human Resources Operations. The Stage Two Specified Pension will still be the Assistant Director for Corporate Governance.

## **7. Contribution to strategic outcomes**

Not applicable

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

### Chief Finance Officer

- 8.1. There are no direct financial implications arising from the updated Internal Dispute Resolutions Procedure, however maintain such a document and the associated procedures is a clear indicator of good risk management (including financial) and governance standards. Maintaining these standards over the long term will provide value for money for the Pension Fund, helping to ensure that the scheme remains affordable for fund members and scheme employers.
- 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.

## Assistant Director of Corporate Governance

- 8.3. The report seeks authority to admit Brayborne Facilities Services Ltd 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;
- 8.4. Brayborne Facilities Services 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. Regulation 74 of the 2013 Regulations requires the administering authority to appoint a person (“the adjudicator”) to consider applications from any person whose rights or liabilities under the Scheme are affected by (a) a first instance decision; or (b) any other act or omission by the administering authority, and to make a decision on such applications. The recommendation is for the Head of Pensions, Treasury and Chief Accountant to be the adjudicator.

## **9. Use of Appendices**

Appendix 1 Updated Internal Dispute Resolution Procedure

## **10. Local Government (Access to Information) Act 1985**

Not Applicable