

**Report for:** Pensions Committee and Board – 11 July 2019

**Title:** Pensions Administration Report

**Report authorised by :** Jon Warlow, Director of Finance

**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 new admissions to the pension fund.

1.3 This report gives an auto enrolment update.

## **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.

3.2 Auto enrolment. In May 2019 286 members were re-enrolled into the scheme under auto enrolment. 169 members opted out of the pension scheme i.e. 59.09%.

### **Note and Approve**

3.3 Approve the admission of Schools Office Services Limited as a new employer to the Pension Fund, subject to an admission agreement being entered into and 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.

### **Note and Approve**

3.4 Approve the admission of Olive Dining Limited as a new employer to the pension fund subject to an admission agreement being entered into and their securing a bond or a guarantee from a third party in line with the LGPS regulations to indemnify the pensions fund against any future potential liabilities that could arise or paying an increase contribution rate in lieu of a bond.

## Note and Approve

- 3.5 Approve the admission of Birkin Cleaning Services Limited as a new employer to the Pension Fund, subject to an admission agreement being entered into and 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.

## 4 Reason for decision

### New Admission Body to the Fund

- 4.1 Chestnut Primary School has retendered its cleaning service and the successful bidder was Schools Office Services Limited. It is proposed that Schools Office Services Limited be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the Cleaning Service for Chestnut Primary School, subject to Schools Office Services Limited entering into an admission agreement with the Council so that those eligible employees can remain within the Haringey Pension Fund.
- 4.2 St Mary's Priory Primary School has retendered its catering service and the successful bidder was Olive Dining Limited. It is proposed that Olive Dining Limited be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the catering Service for Chestnut Primary School, subject to Olive Dining Limited entering into an admission agreement with the Council so that those eligible employees can remain within the Haringey Pension Fund
- 4.3 Hornsey School has retendered its cleaning service and the successful bidder was Birkin Cleaning Services Ltd. It is proposed that Birkin Cleaning Services Ltd be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the Cleaning Service for Chestnut Primary School, subject to Birkin Cleaning Services Ltd entering into an admission agreement with the Council so that those eligible employees can remain within the Haringey Pension Fund.
- 4.4 St Francis de Sales Primary School, St Peter and Chains Primary School. St Gildas Primary School and St Marys CE Primary School have retendered their catering service and the successful bidder was Olive Dining Limited. It is proposed that Olive Dining Limited be admitted to the Haringey Pension Scheme as an Admission Body in relation to the provision of the catering Service for Chestnut Primary School, subject to Olive Dining Limited entering into an admission agreement with the Council so that those eligible employees can remain within the Haringey Pension Fund
- 4.5 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
- 4.6 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 four months and a year ago are as follows:

|               | Users | Page views |
|---------------|-------|------------|
| February 2018 | 309   | 1655       |
| February 2019 | 428   | 1599       |
| March 2018    | 329   | 1790       |
| March 2019    | 438   | 1517       |
| April 2018    | 332   | 1724       |
| April 2019    | 400   | 1556       |
| May 2018      | 357   | 1766       |
| May 2019      | 590   | 2434       |

For the 2019 figures the average amount of users per month to the pension website is 464 and they view on average 1776.5 pages, just under 4 pages for each user.

6.2 In May 2019 286 members were re-enrolled into the Local Government Pension Scheme under auto enrolment. 169 members who were re-enrolled into the scheme opted out of the pension scheme i.e. 59.09%.

6.3 Chestnut Primary School has tendered its cleaning service, which will transfer to Schools Office Services Limited on 28 June 2019. One member of staff will be TUPE transferred; who is a member 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 Schools Office Services Limited will pay a rate of 23.1% for employers pension contributions and secure a bond of £4,000.

6.4 The admission to Haringey Pension Fund will be conditional upon Schools Office Services Limited securing a bond of £4,000 or guarantor which will indemnify the Pension Fund should Schools Office Services Limited fail to pay across any amounts due to the pension fund over the course of the contract. Otherwise a 'pass through' can apply where Schools Office Services Limited 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.

- 6.5 St Mary's Priory Primary School has tendered its catering service, which has transferred to Olive Dining Limited on 6 April 2019. Two members of staff will be TUPE transferred; both employees 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 Olive Dining Limited will pay a rate of 31.9% for employers pension contributions and secure a bond of £30,000.
- 6.6 The admission to Haringey Pension Fund will be conditional upon Olive Dining Limited securing a bond of £30,000 or guarantor which will indemnify the Pension Fund should Olive Dining Limited fail to pay across any amounts due to the pension fund over the course of the contract. Otherwise a 'pass through' can apply where Olive Dining Limited 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.
- 6.7 Hornsey School has tendered its cleaning service, which will be TUPE transferred to Birkin Cleaning Services Ltd Limited on 1 September 2019. The cleaning members of staff will be TUPE transferred; some of the employees 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 employer contribution rate has not yet been calculated.
- 6.8 The admission to Haringey Pension Fund will be conditional upon Birkin Cleaning Services Limited securing a bond or guarantor which will indemnify the Pension Fund should Birkin Cleaning Limited fail to pay across any amounts due to the pension fund over the course of the contract. Otherwise a 'pass through' can apply where Birkin Cleaning Limited 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.
- 6.9 St Francis de Sales Primary School, St Peter and Chains Primary School. St Gildas Primary School and St Marys CE Primary School have tendered their catering service, which has transferred to Olive Dining Limited on 1 August 2019. The catering members of staff will be TUPE transferred; including employees who are members of the LGPS. The admission agreements 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.
- 6.10 The admission to Haringey Pension Fund will be conditional upon Olive Dining Limited securing a bond or guarantor which will indemnify the Pension Fund should Olive Dining Limited fail to pay across any amounts due to the pension fund over the course of the contract. Otherwise a 'pass through' can apply where Olive Dining Limited 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

## **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 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

8.2 The report seeks authority to admit four 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;

8.3 Each of the employers set out in the recommendations 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. In order to be admitted each of the employers must enter into an Admission Agreement;

## **9 Use of Appendices**

Not Applicable

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

Not Applicable