



Haringey

Agenda item:

[No.]

Pensions Committee

On 17<sup>th</sup> September 2009

Report Title: Admission Agreement with Europa Workspace Solutions Ltd to the Haringey Council Pension Fund

Report of Chief Financial Officer and Assistant Chief Executive People and Organisational Development

Signed

Assistant Chief Executive People and Organisational Development

Signed

Chief Financial Officer

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Wards(s) affected: All

Report for: Non Key Decision

**1. Purpose of the Report (That is, the decision required)**

1.1 To approve the admission of Europa Workspace Solutions Ltd as transferee admitted body participating in the Haringey Council Pension Fund from 8th April 2009..

**2. Introduction by Cabinet Member (if necessary)**

**3. State links with Council Plan Priorities and actions and / or other Strategies**

3.1 On 1<sup>st</sup> August 2002 Alexandra Palace Charitable Trust entered into a contract for security services with Trident Security Ltd. later called Mittie Securities Ltd. This contract was awarded to Workforce Facilities Ltd with effect from 7<sup>th</sup> April 2009. On 8<sup>th</sup> May 2009, the company was acquired by Europa Workspace Solutions Ltd and the security contract was novated to them by Alexandra Palace Trust

3.2 Of the three scheme members originally TUPE transferred to Trident Security Ltd, one remains as an active member of the Fund. That employee has been TUPE transferred to Europa Workspace Solutions Ltd.

3.3 This admission agreement is with a private contractor where service is being transferred by means of a contract. The contractor is thereby a 'transferee admission body' as defined in regulation 6 of the Local Government Pension Scheme Administration Regulations 2008.

3.4 The agreement will be a 'closed agreement' under which only the remaining member of the LGPS who is employed on the contract, will be eligible for admission to the Local

Government Pension Scheme. On this basis, the actuary has set the employer contribution rate for future service at 28%. Changes increasing the required contribution rate are only paid for by the contractor if they are changes they have made. All other consequential contribution increases above 28% will be met by Alexandra Palace Charitable Trust.

3.5 The regulations require that the contractor provides an indemnity bond to protect the fund should the agreement terminate early. The value of the Bond is determined by actuarial assessment and is agreed between the parties. The review and provision of the Bond is an employer cost. The Council's actuary has put a value on the Bond of £26,000. The Bond protects the Fund against potential early retirement on redundancy costs should the company fail commercially

3.6 Any actions taken that require payment of a capital cost will be recovered through the normal charging process. The actuary will take account of the contractor's discretionary policy including early and ill health retirements when setting its employer contribution rate at future fund valuations

3.7 As the arrangements for novating the contract from Workforce Facilities Ltd to Europa Workspace Ltd are still under review Members are asked to approve the delegation of final approval for this application to the Chief Financial Officer

#### **4. Recommendations**

4.1 That Members agree to the admission of Europa Workspace Solutions Ltd as a transferee admitted body to the Fund from 8<sup>th</sup> May 2009

4.2 That the agreement is a closed agreement such that no new members can be admitted.

4.3 That the contractor is required to provide a Bond to the value of £26,000 to be reviewed by the Fund actuary on an annual basis.

4.4 That final approval to the terms of this Admission Agreement be delegated to the Chief Financial Officer.

#### **5. Reason for Recommendations**

5.1 N/a.

#### **6. Other options considered**

6.1 None

#### **7. Summary**

7.1 This report seeks approval for the admission of Europa Workspace Solutions Ltd to the Haringey Council Pension Fund.

#### **8. Chief Financial Officer Comments**

8.1 The Chief Financial Officer concurs with the financial implications paragraph.

#### **9. Head of Legal Services Comments**

9.1 The Head of Legal Services has been consulted on the content of this report and has no specific comment to make. The content of the report and its recommendations fall within the statutory framework governing the setting up of an admission agreement where an eligible person is employed by a transferee admission body

**10. Head of Procurement**

**10.1** Not Applicable

**11. Equalities & Community Cohesion Comments**

**11.1** There are no equalities issues arising from this report

**12. Consultation**

**12.1.** The Employees Side have been consulted on the content of this report.

**13. Service Financial Comments**

**13.1** The Council's actuary has assessed a contribution rate for the contractor as 28% and a Bond value of £26,000 which will be reviewed annually. The Bond is in place to protect the fund against the commercial failure of the company.

**13.2** The contractor is required to meet future service costs as reflected in the above-mentioned contribution rate. The past service deficit remains with the Charitable Trust which will reimburse the Fund for any related costs

**14. Use of appendices / Tables and photographs**

**14.1** There are no appendices attached to this report.

**15. Local Government (Access to Information) Act 1985**

( List background documents)

(also list reasons for exemption or confidentiality (if applicable))

**15.1** Local Government Pension Scheme (Administration) Regulations 2008

**15.2** Report from Hymans Robertson on Bond and Contribution Rate Assessment.

Reasons why this report is exempt Not Applicable