



Haringey Council

Report for:	Pension Committee	Item Number:	
Title:	Local Government Pension Scheme - Admission of New Employers as Transferee Admission Body		
Report Authorised by:	Jacque McGeachie - Interim Head of Human Resources and Organisational Development		
Lead Officer:	Janet Richards Pensions Manager		
Ward(s) affected: None	Report for Key/Non Key Decisions: Non Key Decision		

1. Describe the issue under consideration

The Local Government Pension Scheme Regulations allows an administrating authority to enter into an admission agreement with an admission body. Under the TUPE regulations employees pensions should be protected when a service is outsourced.

Where a service is outsourced the new contractor can request that the transferred employees remain members of the Local Government Pension Scheme and the employer becomes part of the Local Government Pension Scheme as a Transferee Admission body.

2. Cabinet Member introduction

Not applicable

3. Recommendations

That catering contractors, Absolutely Catering Limited and Caterlink be admitted to the Haringey Pension Fund as Transferee Admission Bodies.

That the admission agreements are entered into and that the agreements are closed agreements such that no new members can be admitted.

4. Alternative options considered

n/a



5. Background information

School	Contractor	Date of transfer	Employer contribution rate
Roksley School	Absolutely Catering Limited	01/01/2015	26.7% and £17000 bond
LDBS Schools i.e St Pauls and All Hallows	Caterlink	01/01/2015	St Pauls 25.6% and £42,000 bond
St Michaels			St Michaels 24.7% and £32,000 bond
St Anns			St Anns 21.9% and £14,000 bond
Holy Trinity			Holy Trinity to be advised

- 5.1 The above schools will be outsourcing their Kitchen catering functions to contractors. Staff will be TUPE transferred they are members of the Local Government Pension Scheme (LGPS).
- 5.2 The catering contracts are for three years with a possible two year extension. Staff are required to work not less then 50% of their time on the contract.
- 5.3 The contractor will pay an employer contribution rate set by the actuary. This is based on the contractor starting on a notional 100% fully funded basis. The admission agreement is closed and only the TUPE transferred staff can participate in the LGPS.
- 5.4 Where there is a bond valued by the fund actuary the contractor is required to provide a bond to protect the fund from commercial failure of the contractor. It covers the cost of capital cost payments if staff aged 55 and over were made redundant.
- 5.5 Costs arising from the exercise of employer discretions are payable by the contractor as provided for in Section 5 of the Admission Agreement.
- 5.6 The transferee admission body meets the requirements of regulation 54 of the Local Government Pension Scheme Regulations 2013 and the administering authority must admit the eligible employees of the transferee admission body to the fund.

7. Comments of the Chief Finance Officer and financial implications

7.1 For these five schools, the transferred liabilities represent a small proportion of the overall scheme. Although, each transferred pension liability is fully funded at commencement, three contractors are paying higher contribution rates than the Council, with one contractor (only one staff member) paying slightly less than the Council. In each case a bond is provided to protect the Council and the pension fund from future defaults by the contractor.

8. Assistant Director Corporate Governance and legal implications



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8.1 The Haringey Pension Fund is obliged to admit Absolutely Catering Limited and Cater Link Limited if they meet the requirements of Regulation 54 of the Local Government Pension Scheme Regulations 2013. The Admission Agreements are yet to be agreed and are to be closed agreement

9. Equalities and Community Cohesion Comments

N/A

10. Head of Procurement Comments

N/A

11. Policy Implication

N/A

12 Reasons for Decision

12.1 The Council is obliged under the Local Government Pension Scheme Regulations 2013 to admit new eligible admission body employers into the pension scheme and to admit to the Scheme the eligible employees of that body.

13 Use of Appendices

None.

14 Local Government (Access to Information) Act 1985

Not applicable.