



LOCAL PENSION BOARD

16 JUNE 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

REQUESTS FOR ADMISSION BODY STATUS

Purpose of the Report

1. To inform the Board about a number of staff transfers to Chartwells (part of the Compass Group UK and Ireland).

Background

2. If an employer in the Local Government Pension Scheme (LGPS) outsources its services to a private company the new employer has to protect the pension benefits of the employed people that transfer. To do so, the new employer has to either; offer a broadly comparable pension arrangement or apply for admission body status in the Leicestershire Fund.

Most private companies do not offer a broadly comparable pension scheme so apply for admission body status.

There are a number of requirements that must be completed to become an admission body in the Leicestershire Pension Fund; including completion of an admission agreement, arranging a guarantor and/or setting up a bond and having any actuarial work completed by the Funds Actuary. These are standard practise and all legal issues are expected to be complete before the transfer of staff can take place. This process has been followed in all cases prior to now without incident.

In the Leicestershire Fund there are already 16 companies that have admission body status.

3. Chartwells who are part of the Compass Group UK and Ireland have taken over four separate catering contracts from various Schools and Academies in the Leicestershire Fund. Legislation requires each separate transfer must have a separate admission agreement.

The four transfers are detailed in the table below;

Previous employer	Date staff transferred to Chartwells	Date of completion - admission agreement and bond
Ravenhurst School	1 September 2015	3 May 2016
Bringham School (part of the David Ross Education Trust)	1 September 2015	Not complete
Charnwood College (part of the David Ross Education Trust)	4 January 2016	Not complete
Winstanley Community Academy	3 May 2016	Not complete

Despite the Pension Section working speedily and efficiently to try and conclude these matters three of the four cases remain outstanding.

4. In all cases the intention of the admission agreement is they are backdated to the date of transfer of staff so the individuals retain continuous service within the LGPS. However, there are a number of potential issues the delays cause, most obviously the possible death in service occurring of any of the people who transferred between the date of the staff transfer and the admission agreement being completed.
5. Given the significant concern the Director of Finance has written to the Pensions Manager at the Compass Group and The Pensions Regulator. The Pensions Manager has also written to the Pensions Manager at the Compass Group stating the deadlines for completion of the transfers, otherwise the members will be informed of the situation. These letters are attached as an appendix.

Recommendation

6. Members of the Board note the report.

Equal Opportunities Implications

None specific

Appendix

Appendix –Letters sent from Leicestershire County Council to the Pensions Manager at the Compass Group and the Pensions Regulator.

Officers to Contact

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