



LOCAL PENSION BOARD

3 OCTOBER 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

REQUESTS FOR ADMISSION BODY STATUS

Purpose of the Report

1. To update 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.
3. Most private companies do not offer a broadly comparable pension scheme so apply for admission body status.
4. 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. This is standard practise and all legal issues are expected to be complete before the transfer of staff can take place.
5. As detailed in reports considered by the Local Pension Board in June 2016 and July 2016, Chartwells who are part of the Compass Group UK and Ireland, had taken over four separate catering contracts from various Schools and Academies in the Leicestershire Fund. The staff had already moved over to Chartwells without the admission agreement and bonds in place in three of the four cases.
6. Following the reports to the Local Pension Board the issue was escalated with Governors, senior management and the staff affected.
7. Following escalation, the Pension Section has now received fully completed admission agreements and bonds covering the previously outstanding areas. The pensionable service has been backdated for all the staff that transferred,

so they all now have continuous pensionable service from the point they left their previous employer and moved over to Chartwells. All the staff have been informed in writing.

8. Whilst the issue is now resolved for these transfer, The Director of Finance and Pensions Manager are still of the opinion that the Local Government Pension Scheme Regulations require change to ensure that an admission agreement and guarantor/bond should be signed by all parties before staff can transfer over to a new employer. This would negate any future pension risk, should anything happen to the staff before the agreement is in place. The Pension Manager has replied accordingly to The Department of Communities and Local Government's consultation exercise detailing this point. When the final regulations are published the Board will be informed.

Recommendation

9. It is recommended that the Board notes the report.

Equalities and Human Rights Implications

None specific

Officers to Contact

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